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United States

Circuit Court of Appeals

For the Ninth Circuit.

Vrl
2250

THE L. McBRINE COMPANY, LIMITED,

Appellant,

vs.

SOL SILVERMAN and SAM SILVERMAN, co-partners doing
business under the name and style of BALKAN TRUNK
& SUITCASE CO.,

Appellees.

THE L. McBRINE COMPANY, LIMITED,

Appellant,

vs.

HERMAN KOCH, doing business under the name and style
of H. KOCH & SONS, and HAROLD M. KOCH, WIL-
LIAM L. KOCH, and REBECCA KOCH,

Appellees.

Transcript of Record

In Two Volumes

VOLUME I

Pages 1 to 454

Upon Appeals from the District Court of the United
States for the Northern District of California,
Southern Division.

FILED

JAN 20 1941

United States
Circuit Court of Appeals

For the Ninth Circuit.

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[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original certified record are printed literally in italic: and, likewise, cancelled matter appearing in the original certified record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in italic the two words between which the omission seems to occur.]

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etc., et al.

In the United States District Court for the North-
ern District of California Southern Division

Civil Action No. 21271R

For Infringement of United States Letters Patent
No. 1,878,989

THE L. McBRINE COMPANY, LIMITED,
Plaintiff,

vs.

SOL SILVERMAN and SAM SILVERMAN, co-
partners doing business under the name and
style of BALKAN TRUNK & SUITCASE
CO.,

Defendants.

BILL OF COMPLAINT [1*]

I.

The jurisdiction of this Court is based upon the
patent laws of the United States.

II.

The plaintiff, The L. McBrine Company, Limited,
is a corporation organized under the laws of the
Province of Ontario, Canada, having its principal
place of business at Kitchener, Ontario, Canada.

III.

The defendants, Sol Silverman and Sam Silver-
man, are citizens of the United States and resi-

*Page numbering appearing at foot of page of original certified
Transcript of Record.

dents of San Francisco, California, having a regular and established place of business located at 946 Mission Street, San Francisco, California, at which place the said Sol Silverman and Sam Silverman conduct their business as co-partners under the name and style of Balkan Trunk & Suitcase Co. [2]

IV.

On September 20, 1932, United States Letters Patent Number 1,878,989 were duly and legally issued to plaintiff for an invention on Hand luggage, the application for said patent having been filed in the name of Emanuel J. Shoemaker, and prior to the grant of said Letters patent Number 1,878,989, by an assignment in writing duly executed and recorded, the plaintiff herein became and is now vested with all right, title and interest in and to said Letters Patent Number 1,878,989; and since September 20, 1932 plaintiff has been and still is the owner of said Letters Patent. A copy of said Letters Patent is attached hereto as Exhibit "A" and made a part thereof, and plaintiff is ready to produce as and when this Honorable Court may direct a duly certified copy of said Letters Patent, together with a duly certified copy of the assignment heretofore referred to.

V.

Upon information and belief, defendants, Sol Silverman and Sam Silverman, individually and jointly, in doing business as Balkan Trunk & Suit-

case Co., have for a long time past been and still are infringing said Letters Patent no. 1,878,989 by making, selling, and using hand luggage embodying the patented invention, and will continue to do so unless enjoined by this Court.

VI.

Plaintiff, prior to the filing of this Bill of Complaint, has given due notice to the defendants of their infringement of said patent. [3]

VII.

Plaintiff has granted non-exclusive licenses to others to manufacture, use and sell Hand Luggage made according to and embodying the invention of said Letters Patent; that manufacturers to whom licenses have been granted by the plaintiff, have made and sold within the United States a large number of articles of Hand Luggage embodying the invention of said patent; and that the infringement by said defendants is injurious to the rights which the plaintiff and its licensees are rightfully entitled to enjoy under said patent.

Wherefore, Plaintiff demands a preliminary and final injunction against further infringement by the defendants or any of them, and those controlled by any or all of the defendants, an accounting for profits and damages, an assessment of costs against the defendants, and for such other and further re-

lief as the circumstances and facts of this case may warrant or justify or which equity may require.

THE L. McBRINE COMPANY,
LIMITED,

a corporation of Kitchener, Ontario, Canada,

Plaintiff.

By CURTIS B. MORSELL

A. L. MORSELL JR.

633 Empire Building, Milwaukee,
Wisconsin.

TOWNSEND & HACKLEY,

CHAS. E. TOWNSEND,

ROY C. HACKLEY, JR.,

Crocker Building,

San Francisco, California.

(Of Counsel for Plaintiff)

Attorneys for Plaintiff.

[Printer's Note: For Exhibit "A" attached hereto see Plaintiff's Exhibit No. 1 set out in the Book of Exhibits.]

[Endorsed]: Filed July 20, 1939, Walter B. Maling, Clerk, By B. E. O'Hara, Deputy Clerk.

[4]

In the United States District Court for the North-
ern District of California, Southern Division

Civil Action No. 21273-R

For Infringement of U. S. Letters Patent
No. 1,878,989

THE L. McBRINE COMPANY,
LIMITED,

Plaintiff,

vs.

HERMAN KOCH, doing business under the name
and style of H. Koch & Sons, and HAROLD
M. KOCH, WILLIAM L. KOCH, and RE-
BECCA KOCH,

Defendants.

BILL OF COMPLAINT [14]

I.

The jurisdiction of this Court is based upon the
patent laws of the United States.

II.

The plaintiff, The L. McBrine Company, Limited,
is a corporation organized under the laws of the
Province of Ontario, Canada, having its principal
place of business at Kitchener, Ontario, Canada.

III.

The defendant, Herman Koch, is a citizen of the
United States and a resident of San Francisco,
California, having a regular and established place

of business located at 73 Beal Street, San Francisco, California, at which place the said Herman Koch conducts his business under the trade name of H. Koch & Sons. [15]

IV.

The defendants, Harold M. Koch, William L. Koch, and Rebecca Koch are respectively sons and daughter of said Herman Koch and are citizens of the United States, residing in San Francisco, California, and upon information and belief, said Harold M. Koch, William L. Koch, and Rebecca Koch are active in the conduct of the business of H. Koch & Sons.

V.

On September 20, 1932, United States Letters Patent Number 1,878,989 were duly and legally issued to plaintiff for an invention on Hand Luggage, the application for said patent having been filed in the name of Emanuel J. Shoemaker, and prior to the grant of said Letters Patent Number 1,878,989, by an assignment in writing duly executed and recorded, the plaintiff herein became and is now vested with all right, title and interest in and to said Letters Patent Number 1,878,989; and since September 20, 1932 plaintiff has been and still is the owner of said Letters Patent. A copy of said Letters Patent is attached hereto as Exhibit "A" and made a part hereof, and plaintiff is ready to produce as and when this Honorable Court may direct a duly certified copy of said Letters Patent, together with a duly certified copy of the assignment heretofore referred to.

VI.

Upon information and belief, defendants, Herman Koch, Harold M. Koch, William L. Koch, and Rebecca Koch, individually and jointly, in doing business as H. Koch & Sons, have for a long time past been and still are infringing said Letters Patent Number 1,878,989 by making, selling and using Hand Luggage embodying the patented invention, and will continue to do so unless enjoined by this Court. [16]

VII.

Plaintiff, prior to the filing of this Bill of Complaint, has given due notice to the defendants of their infringement of said patent.

VIII.

Plaintiff has granted non-exclusive licenses to others to manufacture, use and sell Hand Luggage made according to and embodying the invention of said Letters Patent; that plaintiff, as well as manufacturers to whom licenses have been granted, have made and sold within the United States a large number of articles of Hand Luggage embodying the invention of said patent; and that the infringement by said defendants is injurious to the rights which the plaintiff and its licensees are rightfully entitled to enjoy under said patent.

Wherefore, Plaintiff demands a preliminary and final injunction against further infringement by

the defendants or any of them, and those controlled by any or all of the defendants, an accounting for profits and damages, an assessment of costs against the defendants, and for such other and further relief as the circumstances and facts of this case may warrant or justify or which equity may require.

THE L. McBRINE COMPANY,
LIMITED,

a corporation of Kitchener,
Ontario, Canada,

Plaintiff.

By CURTIS B. MORSELL

A. L. MORSELL J

633 Empire Building, Mil-
waukee, Wisconsin.

Attorneys for Plaintiff.

TOWNSEND & HACKLEY,

CHAS. E. TOWNSEND,

ROY C. HACKLEY, JR.,

Crocker Building,

San Francisco, California.

(Of Counsel for Plaintiff)

Exhibit "A" attached to the Bill of Complaint herein is exactly the same as Exhibit "A" in Case No. 21271-R [Set out as Plaintiff's Exhibit No. 1 in the Book of Exhibits.] [18]

[Endorsed]: Filed July 20, 1939. Walter B. Maling, Clerk. By B. E. O'Hara, Deputy Clerk. [17]

[Title of District Court and Cause—21271-R.]

AMENDED ANSWER

To the Honorable, the Judges of the District Court
of the United States, in and for the Northern
District of California:

The defendants, answering plaintiff's complaint
on file herein, say:

I.

Defendants are without knowledge or information sufficient to form a belief as to the truth of the averment contained in paragraph II of the complaint. [19]

II.

Defendants admit the allegations of paragraph III of the complaint.

III.

Defendants, answering paragraph IV of the complaint, admit that Letters Patent of the United States No. 1,878,989 were issued to plaintiff.

IV.

Defendants, answering paragraph V of the complaint, deny that they, or either of them, jointly or individually, have infringed the said Letters Patent.

V.

Defendants admit that plaintiff has notified them of the existence of said patent, but deny that they have infringed the said patent.

VI.

Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph VII of the complaint.

VII.

Defendants further answering aver that the alleged improvements set out in the said Letters Patent No. 1,575,965 did not in fact or in law arise by the ingenuity or invention, but merely required in their assemblage the skill of an ordinary mechanic versed in the art in which the said alleged invention appertained, and therefore were not patentable under the law, and further aver that the said invention was not a true combination, but merely combinations of well known features, which was made and used prior to the alleged invention of the patent in suit, and constituted under the law, if anything, a mere aggregation, and therefore said Letters Patent are invalid and of no effect; and further answering aver that the said alleged [20] invention purporting to be embraced in the said Letters Patent in suit is narrow and restricted in their character and was made so during the prosecution of the application for patent before the Patent Office, whereby said plaintiff is supposed to ask for any broad construction of the claims now appearing in said patent and has abandoned to the public the said broad invention originally claimed but refused; and further answering avers that the said alleged

invention purporting to be embraced in the said Letters Patent in suit, even if it did constitute invention, was the invention of others than Shoemaker.

VIII.

Further answering, defendants aver that the said alleged invention purporting to be embraced in the said patent in suit, or at least the substantial parts thereof, were known and used by others in this country prior to the date of the supposed invention by Shoemaker.

IX.

Defendants aver that the alleged improvements of the invention embraced in the said Letters Patent in suit, or all material and substantial parts thereof, have been in public use or on sale in this country for more than two years prior to the filing of the application underlying the said patent, and/or prior to the invention thereof by the said Shoemaker.

X.

Further answering, defendants aver that the said Emanuel J. Shoemaker was not the original, true and sole inventor or discoverer of the alleged improvements or invention purporting to be covered by the said Letters Patent in suit, or any material or substantial part thereof, but the said invention, and all material or substantial parts thereof, had been disclosed to the public by others, invented by others, or patented to others than said Emanuel J. Shoemaker prior to the date of the alleged inven-

tion [21] thereof by the said Emanuel J. Shoemaker, and/or more than two years prior to December 24, 1928, as appearing in divers prior letters patent of the United States and foreign countries and printed publications as follows, to wit:

Patentee	Date of Patent	Patent No.
Van Ohlen	December 8, 1908.....	906,153
Burchess	December 9, 1913.....	1,081,014
O'Donnell	April 21, 1914.....	1,094,087
O'Neill	August 17, 1915.....	1,150,058
Boyd et al.	June 6, 1916.....	1,185,971
Shroyer	October 3, 1916.....	1,200,248
Simmons	December 12, 1916.....	1,208,221
Fasel et al.	June 28, 1921.....	1,382,964
Tiedemann	November 14, 1922.....	1,435,673
Steuwer	September 6, 1927.....	1,641,705
Lengsfeld	March 6, 1928.....	1,961,484
Lengsfeld	March 1, 1929.....	Re. 17,177
Langmuir	January 15, 1929.....	1,698,848
Winship	September 17, 1929.....	1,728,223
Laprade	January 7, 1930.....	1,742,656
Wheary et al.	April 7, 1931.....	1,799,877
Storch	March 3, 1931.....	1,794,653
Pownall	June 16, 1931.....	1,810,786
Hopkins	May 31, 1932.....	1,861,274
German to Storch	September 3, 1928 (application filed).....	511,407
Austrian to Storch	May 29, 1929..... (application filed March 21, 1928)	113,171
Austrian to Storch	March 25, 1930..... (application filed September 1, 1928)	116,893
British of 1926	.....	265,475
British of 1922	.....	174,647

XI.

Further answering, defendants aver that prior to the date of the alleged invention by Shoemaker of the alleged improvements purporting to be covered by the said Letters Patent in suit, every material and substantial part of the luggage made by defendants, insofar as the same is relied upon by plaintiff to support its charge of infringement, was previously invented by L. Storch of Vienna, Austria, and was constructively invented by practice in the United States on September 1, 1928, by his filing an application in Austria on that date, fully disclosing the said alleged invention, and by his filing an application in the United States within twelve months thereafter, to wit, on the 9th day of May, 1929; that an Austrian patent, No. 116,893, was issued on March 25, 1930, on said Austrian application, and that a corresponding patent, No. 1,794,653, dated March 3, 1931, was issued on said United States application; and that all parts of the disclosure contained in the said United States Letters Patent No. 1,794,653 and not claimed therein became dedicated to the public as an improvement, effectively and constructively reduced to practice in the United States prior to the alleged invention thereof by said Shoemaker.

XII.

Further answering, defendants aver that they are manufacturing and selling luggage of the general type complained of by plaintiff under the Le-

vine United States Letters Patent No. 2,091,931, dated August 31, 1937.

All of which matters and things these defendants are ready and willing to aver, maintain and prove as this Honorable Court shall direct, and humbly pray that the complaint be dismissed, and that defendants recover from plaintiff their costs and disbursements in this suit.

J. E. TRABUCCO

Attorney for Defendants,
Russ Building, San Francisco,
California. [23]

Receipt of a copy of the foregoing Amended Answer is acknowledged this 21st day of December, 1939.

TOWNSEND & HACKLEY

ROY C. HACKLEY, JR.

Attorneys for Plaintiff.

Receipt of a copy of the foregoing amended answer is acknowledged this 19th day of December, 1939.

TOWNSEND & HACKLEY

ROY C. HACKLEY, JR.

Attorneys for Plaintiff

[Endorsed]: Filed Dec. 20, 1940. [24]

[Title of Court and Cause—No. 21,273-R.]

ANSWER

The defendants above named, and each of them, answering the bill of complaint on file herein, state that:

1.

Defendants admit the allegations contained in paragraph I of the bill of complaint.

2.

Answering Paragraph II of the bill of complaint, the defendants are without knowledge as to the corporate existence and principal place of business of the plaintiff and therefore generally and specifically deny each and every allegation contained in said paragraph II.

3.

Defendants admit the allegations contained in paragraph III of the bill of complaint.

[25]

4.

Defendants generally and specifically deny each and every allegation contained in paragraph IV of the bill of complaint, and in this regard allege that defendants Harold M. Koch and William M. Koch are employees working in manufacturing luggage, and defendant Rebecca Koch is an employee working as bookkeeper and stenographer.

5.

Answering paragraph V of the bill of complaint herein defendants are without knowledge and deny

specifically and generally each and every allegation contained in said paragraph, except that defendant Herman Koch has seen what purports to be a copy of alleged Letters Patent of the United States #1,878,989, purporting to have been issued to plaintiff on September 20, 1932.

6.

Defendants deny generally and specifically each and every allegation contained in paragraph VI of the bill of complaint.

7.

Answering paragraph VII of the bill of complaint defendants generally and specifically deny each and every allegation contained in said paragraph, except that defendant Herman Koch received certain correspondence from plaintiff's attorneys with respect to the patent in suit.

8.

Answering paragraph VIII of the bill of complaint defendants are without knowledge as to whether plaintiff has granted any license to anyone and whether or not plaintiff or any licensees or any one, have made and sold a large or any number of articles embodying the alleged invention of said alleged Letters Patent, or at all, and defendants deny that any acts of defendants are infringements on or injurious to any purported [26] rights of plaintiff and of its alleged licensees or of either of them, and deny that plaintiff or its alleged licensees are rightfully or otherwise entitled to enjoy any rights under said patent, or at all.

9.

For a further and separate defense defendants allege that the alleged inventions or discoveries described and claimed in the Letters Patent in suit are not inventions or discoveries or the proper subject-matter of Letters Patent of the United States, but in view of the state of the art existing at and prior to the said alleged inventions by the patentee, were each the result of mere mechanical skill and judgment.

10.

For a further and separate defense defendants allege that, because of the state of the art as it existed at the time of the filing the application for the Letters Patent in suit, and because of the cancellation of claims and the limitations placed thereon during the prosecution of said application, the said Letters Patent in suit, if valid at all, which the defendants deny, are valid only for the things specifically described therein, and that the claims of said Letters Patent as thus limited in scope by the state of the prior art are not infringed by defendants.

11.

For a further and separate defense defendants allege with respect to each of the claims of the Letters Patent in suit, that each claim is not for a true combination in the sense of the patent laws, but is for a mere unpatentable aggregation.

12.

For a further and separate defense defendants allege that said Emanuel A. Shoemaker was not the

original, first, or any inventor, or discoverer of the alleged invention or [27] inventions said to be patented in and by said Letters Patent No. 1,878,989 here in suit, or any material or substantial part thereof, but that prior to the alleged invention or more than two years prior to the application for the Letters Patent in suit, the said alleged invention, if it be an invention, sought to be patented in said Letters Patent here in suit, and every material and substantial part thereof were indicated, disclosed, described and/or patented in and by each of the following Letters Patents of the United States and foreign countries, and had been invented known, used, publicly used, and sold by each of the patentees and at the places respectively named in each of said Letters Patent, and each of said patentees was the first and original inventor thereof and at all times was using reasonable diligence in adapting and perfecting the same, and the respective places of residence of said patentees are set forth in each Letters Patent, to-wit:

Name	Number	Date
Van Ohlen	906,153	Dec. 8, 1908
Burchess	1,081,014	Dec. 9, 1913
O'Donnell	1,094,087	Apr. 21, 1914
O'Neill	1,150,058	Aug. 17, 1915
Boyd et al.....	1,185,971	June 6, 1916
Shroyer	1,200,248	Oct. 3, 1916
Simmons	1,208,221	Dec. 12, 1916
Fasel et al.....	1,382,964	June 28, 1921
Tiedemann	1,435,673	Nov. 14, 1922
Steuwer	1,641,705	Sept. 6, 1927
Lengsfeld	1,661,484	Mar. 6, 1928
Lengsfeld	Re. 17,177	Mar. 1, 1929

Name	Number	Date
Langmuir	1,698,848	Jan. 15, 1929
Winship	1,728,223	Sept. 17, 1929
Laprade	1,742,656	Jan. 7, 1930
		[28]
Levine, et al.....	1,799,521	April 7, 1931
Whearly et al.....	1,799,877	April 7, 1931
Storch	1,794,653	March 3, 1931
Pownall	1,810,786	June 16, 1931
Hopkins	1,861,274	May 31, 1932
German to Storch.....	511,407	Sept. 3, 1928
		(Application filed)
Austrian to Storch.....	113,171	
Austrian to Storch.....	116,893	Sept. 1, 1928
		(Application filed)
British of 1926.....	265,475	
British of 1922.....	174,647	

and also in many other patents of this and foreign countries, as well as many printed publications, at present unknown to defendants but which, when found and their numbers, names and dates ascertained, defendants will ask leave to have inserted in this answer, wherefore the said Letters Patent of the United States No. 1,878,989 is invalid and void and of no effect to secure any exclusive right to the plaintiff.

13.

As a further and separate defense defendants allege that for the purpose of deceiving the public the description and specification filed by the patentee in the Patent Office was made to contain less than the truth relatively to his invention or discovery or more than is necessary to produce the desired effect.

14.

For a further and separate defense defendants allege that said Letters Patent No. 1,878,989, here in suit, was and is invalid and void, because the said Emanuel J. Shoemaker was not the original and first inventor or discoverer of the alleged [29] invention or inventions purported to be patented in and by said Letters Patent but the same and every material and substantial part thereof were, prior to the alleged invention thereof by said Emanuel J. Shoemaker, invented by, if they be any invention or inventions, or known to and used by Maurice P. Koch, 1983 Jefferson Street, San Francisco, California, and were used and sold by him at San Francisco, California.

15.

For a further and separate defense defendants allege that the said Letters Patent No. 1,878,989, here in suit, was and is invalid and void because said Emanuel J. Shoemaker surreptitiously or unjustly obtained said Letters Patent for that which was in fact invented by Maurice P. Koch, 1983 Jefferson Street, San Francisco, California, who was using reasonable diligence in adapting and perfecting the same.

16.

Further answering the bill of complaint on file herein defendants aver upon information and belief that said Letters Patent No. 1,878,989 is invalid and void because things substantially the same as the alleged inventions described and claimed there-

in or a material and substantial part or parts thereof had, before the alleged inventions or discoveries thereof by said Emanuel J. Shoemaker, or more than two years before applications for Letters Patent therefor by said Emanuel J. Shoemaker, been known and publicly used by others in this country, the names and residences or addresses of whom defendants claim leave to add when sufficiently informed thereof.

17.

Defendants further aver that plaintiff is estopped to assert infringement by defendants or to maintain this suit by the reason of the delay and laches on the part of plaintiff in bringing the suit. [30]

Wherefore, said defendants, and each of them, deny that the plaintiff is entitled to the relief prayed for, or any part thereof, and the defendants pray to be hence dismissed with reasonable costs and charges in this behalf most wrongfully sustained.

HERMAN KOCH,

doing business under the
name and style of H. KOCH
& SONS,

HAROLD M. KOCH,

WILLIAM L. KOCH

REBECCA KOCH

By GEORGE B. WHITE

Attorney for Defendants.

Receipt of copy of the herein answer on this 21st day of December, 1939, is hereby acknowledged.

TOWNSEND & HACKLEY

ROY C. HACKLEY, Jr.

Attorneys and Counsel for Plaintiff.

[Endorsed]: Filed Dec. 20, 1939. [31]

[Title of District Court and Cause—No. 21271-R.]

STIPULATION

It is hereby stipulated by and between the parties hereto, acting through their respective counsel, that plaintiff, at the time of proceeding pursuant to order of the above entitled court, dated September 28, 1939, to take the deposition of Emanuel J. Shoemaker at Milwaukee, Wisconsin, on October 10, 1939, may at the same time take the deposition of the witness [32] A. A. Ritter, named in the Notice of taking said depositions heretofore served upon defendants; and that plaintiff may likewise take the deposition of such other witnesses, on behalf of plaintiff, as may be available at the time and place aforesaid, it being provided, however, that reasonable notice as to additional witnesses may be requested by defendants if they so desire.

It is further stipulated that the above mentioned depositions shall be entitled and taken in the following cases, and each of them, pending in this court, as well as in this action: The L. McBrine Company, Limited, v. Herman Koch, doing business under the name and style of H. Koch & Sons, and Harold M. Koch, William L. Koch and Re-

becca Koch, Civil Action No. 21273-R; and The L. McBrine Company, Limited, v. Harold Maund, doing business under the name and style of Vogue Luggage Co., and Clifford C. Cassidy, Civil Action No. 21272-S. The original of said depositions, or a copy thereof certified by the Notary Public before whom said depositions are taken, shall be filed in this case.

Dated: October 3, 1939.

TOWNSEND & HACKLEY
 CHAS. E. TOWNSEND
 ROY C. HACKLEY JR.,
 Of Counsel for Plaintiff.
 J. E. TRABUCCO
 Attorney for Defendants

So Ordered:

MICHAEL J. ROCHE

United States District Judge

[Endorsed]: Filed Oct. 4, 1940. [33]

[Title of District Court and Cause—No. 21273-R.]

STIPULATION

It is hereby stipulated by and between the parties hereto, acting through their respective counsel, that plaintiff, at the time of proceeding pursuant to order of the above entitled court, dated September 28, 1939, to take the deposition of Emanuel J. Shoemaker at Milwaukee, Wisconsin, on October 10, 1939, may at the same time take the deposition of the witness [34] A. A. Ritter, named in the notice of taking depositions heretofore served upon

defendants; and that plaintiff may likewise take the deposition of such other witnesses, on behalf of plaintiff, as may be available at the time and place aforesaid, it being provided, however, that reasonable notice as to additional witnesses may be requested by defendants if they so desire.

It is further stipulated that the above mentioned depositions shall be entitled and taken in the following cases, and each of them, pending in this court, as well as in this action: The L. McBrine Company, Limited, v. Sol Silverman and Sam Silverman, co-partners doing business under the name and style of Balkan Trunk & Suitcase Co., Civil Action No. 21271-R; and The L. McBrine Company, Limited, v. Harold Maund, doing business under the name and style of Vogue Luggage Co., and Clifford C. Cassidy, Civil Action No. 21272-S. The original of said depositions, or a copy thereof certified by the Notary Public before whom said depositions are taken, shall be filed in this case.

Dated: October 3, 1939.

TOWNSEND & HACKLEY
CHAS. E. TOWNSEND
ROY C. HACKLEY JR.,

Of Counsel for Plaintiff

GEORGE B. WHITE

Attorney for Defendants.

So Ordered:

MICHAEL J. ROCHE

United States District Judge

[Endorsed]: Filed Oct. 4, 1939 [35]

[Title of District Court and Cause No. 21271-R.]

MOTION AND NOTICE OF MOTION FOR
BILL OF PARTICULARS

To The L. McBrine Company, Limited, and to its
attorneys:

You, and each of you, will please take notice that on Monday, the 18th day of September, 1939, at ten o'clock a. m. of said day, or as soon thereafter as counsel can be heard, in the courtroom of the above entitled Court, in the United States Court House in the Post Office Building, located at the northeast corner of Seventh and Mission Streets, San Francisco, California, the above named defendants, through their attorneys, and pursuant to [36] Rule 12 (E) Federal Rules of Civil Procedure, will move this Honorable Court for an order directing the plaintiff to furnish defendants with a Bill of Particulars with respect to the following matters which plaintiff has failed to aver in its complaint with sufficient definiteness or particularity to enable the defendants to properly prepare a responsive pleading thereto or to prepare for trial:

I.

Which of the claims of the letters patent in suit will plaintiff rely upon at the trial and urge that defendants have infringed.

II.

Precisely what does plaintiff assert or claim is new and patentable in each of the claims of the patent in suit charged to be infringed.

III.

Precisely where, in defendants' alleged infringing device or devices, plaintiff asserts there is found the features set forth as new and patentable in response to paragraph I hereof, and in that connection that plaintiff:

(a) Point out by reference characters applied to a drawing or cut of defendants' alleged infringing device or devices the elements of each of the claims of the patent in suit alleged to be infringed;

(b) Point out by reference characters applied to a drawing or cut of defendants' alleged infringing device or devices the features set forth as new and patentable in response to paragraph I hereof.

IV.

By a reference character applied to each of the figures of the patent in suit wherein such a part appears, point out precisely "a garment supporting member", set forth in the claims [37] of the patent in suit.

V.

By a reference character applied to each of the figures of the patent in suit wherein such a part appears, point out precisely "a garment supporting means", set forth in the claims of the patent in suit.

VI.

Precisely in what lines of the specification of the patent in suit is "a garment supporting member" described, the said element being set forth in the claims of the patent in suit.

VII.

Precisely in what lines of the specification of the patent in suit is "a garment supporting means" described, the said element being set forth in the claims of the patent in suit.

VIII.

By a reference character applied to a drawing or cut of defendants' alleged infringing device or devices, point out precisely what part thereof plaintiff asserts corresponds to "a garment supporting member", set forth in the claims of the patent in suit.

IX.

By a reference character applied to a drawing or cut of defendants' alleged infringing device or devices, point out precisely what part thereof plaintiff asserts corresponds to "a garment supporting means", set forth in the claims of the patent in suit.

X.

With respect to the patent in suit, state precisely:

(a) The date and place of conception of the alleged invention disclosed by the said patent and defined by the claims thereof;

(b) The date and place of the first disclosure of the [38] said alleged invention and to whom such disclosure was made.

(c) The date and place of the beginning of the first drawings of the said alleged invention, and by whom made and when and where completed.

(d) The date and place of the beginning of the first written description of the said alleged invention, and by whom written and when and where completed.

(e) The date and place of the first reduction to practice of the said alleged invention.

(f) The date and place of the first public use of the said alleged invention, and by whom used.

(g) The date and place of the first commercial introduction and/or sale of the said alleged invention (1) anywhere, (2) in Canada, (3) in the United States, and by whom introduced and sold in each of said places.

Dated: September 11, 1939.

(s) J. E. TRABUCCO

Attorney for Defendants,
Russ Building, San Francisco, Calif.

Receipt of a copy of the foregoing notice and motion is hereby admitted this 11th day of September, 1940.

TOWNSEND & HACKLEY
ROY C. HACKLEY, JR.,
Attorneys for Plaintiff.

[Endorsed]: Filed Sept. 11, 1940. [39]

[Title of District Court and Cause—No. 21271-R.]

PLAINTIFF'S BILL OF PARTICULARS

Particular I:

The claims which Plaintiff will rely on are the following: 1, 2, 4, 8, 10, 11, 12, 13, 14, 18, 19, 22, 23, 24, 25, 26 and 27.

Particular II:

Each of the relied upon claims of the patent in suit is a complete statement of what Plaintiff believes to be new and [40] patentable. Therefore, the combinations defined by the claims specified in Particular I respectively define the alleged new and patentable structures.

Particular III:

The attached photograph exhibits, plaintiff's exhibits 8a and 8b, are reproductions of a wardrobe suitcase manufactured and sold by defendants prior to the filing of a Bill of Complaint herein. The wardrobe case itself is in evidence as plaintiff's exhibit 8 and the several photographs show the wardrobe case in open position with the garment supporting and retaining mechanism in its several positions. Reference numerals applied to said photographs indicate the various elements of the claims. Each of the relied upon claims will be applied to said illustrated structure in accordance with the requirement of Bill of Particulars Item IIIa as follows:

Shoemaker Patent Claim 1: A body portion of the luggage—1; a cover portion—2; the hinged

connection between the cover portion and the body portion—3; the garment supporting member and entire swinging and folding frame unit indicated generally by the numeral 4; the hinged connections between the garment supporting member and the hinged side of the cover are indicated at 5; the garment supporting means are the individual hanger bars 6 and as shown in the photographs the same are carried adjacent the hinged connections 5 of the supporting member.

Shoemaker Patent Claim 2: The elements as applied in connection with claim 1 cover the situation with respect to claim 2 and the garment supporting means is specified as being removable. In attached exhibits 8a and 8b the hanger rods 6 have hook-like end portions and are engaged on trolley rods 7. The hanger bars 6 are readily removable from the trolley rods 7 [41] in the structure of exhibits 8a and 8b when the trolley rods are released by catch mechanisms.

Shoemaker Patent Claim 4: The application of the elements of this claim to the Balkan structure is the same as above given except for the last element which specifies “a garment supporting means removably carried by the hinged side of said supporting member”. In the attached exhibits a garment supporting means 6 is removably mounted on the trolley rods 7 which trolley rods are rigidly carried by the inner end portions of the folding side arms 8 of the garment supporting member 4. The outer side arms 9 of the garment supporting

member 4 are hingedly connected to the hinged side of the cover 9 at 5 and with the garment supporting member arranged in the position shown in either exhibit 8a or 8b, the garment supporting means 6 are removably carried by the hinged side of the supporting member 4. The arms 9 of the supporting member 4 are furthermore connected by a transverse bar 10 and this supports and holds the arms 9 and is instrumental in the carrying of the garment supporting means by the hinged side of the supporting member 4.

Shoemaker Patent Claim 8: The Balkan structure as illustrated has a body portion 1, a cover portion 2, hingedly connected to the body portion as at 3, a garment supporting member 4 hingedly connected to the hinged side of the cover portion as at 5, and a garment supporting means 6. In the Balkan structure a garment is primarily folded on a hanger bar 6. This hanger bar is carried by the hinged side of the supporting member as brought out in connection with claim 4. The garment supporting member 4 has a folding edge 11 on its free side and the garment is secondarily folded on said free edge. [42]

Shoemaker Patent Claim 10: The complained of Balkan structure has a body portion 1, a cover portion 2 hingedly connected to the body portion as at 3. It has a garment supporting member 4 carried by the hinged side of the cover portion 2 through the medium of the hinged connections 5—5. Said supporting member 4 embodies a gar-

ment supporting means 6 on which a garment may be primarily folded and it furthermore has a folding edge 11 on which garments may be secondarily folded. When the supporting member is packed it is swung entirely into the cover of the case as in exhibit 8b and releasable straps 12 are provided for retaining the supporting member in packed position in the cover and this is also accomplished by a retaining curtain 13 which may be swung over the open side of the cover to enclose the garment supporting member and which is adapted to be secured at its lower edge within the hinged side of the cover. When the illustrated case is in normal carrying position the garments are supported in the cover in parallel relationship to the normal carrying position of the luggage.

Shoemaker Patent Claim 11: The Balkan garment supporting member 4 is hingedly connected to the hinged side of the cover 2 through the connections 5—5. The member 4 is adapted to be hinged to a horizontal position over the body portion 1 while being packed, as in exhibit 8a. The garment supporting means 6 are removably carried by the hinged side of the supporting member 4 and the folding edge 11 is on the free side of the supporting member 4 and garments are secondarily folded thereon as the member 4 is moved to packed position within the cover, as in exhibit 8b.

Shoemaker Patent Claim 12: The complained of structure has a body portion 1, a cover portion 2, hingedly connected to [43] the body portion as at

3. The garment supporting member is supported on the hinged side of the cover portion through the elements 5—5. The garment supporting member has a primary folding means 6 and a secondary folding means 11, both for supporting garments and they are on the supporting member 4 in parallel relationship to the normal carrying position of the luggage as will appear from exhibit 8b.

Shoemaker Patent Claim 13: The Balkan structure has a body portion 1, a cover portion 2, hingedly connected to the body portion as at 3. The garment supporting means 6 are carried adjacent the hinged connection of the cover portion as disclosed in the exhibits. The garment supporting member 4 is hingedly connected to the hinged side of the cover through the elements 5—5. The member 4 has a folding edge 11 on its free side which folding edge is adapted to register adjacent the free side of the cover when the member 4 is moved to packed position within the cover, as clearly shown in exhibit 8b.

Shoemaker Patent Claim 14: This claim again specifies the body portion 1, the hinged cover 2, and the supporting member 4. The supporting member 4 is hingedly connected to the hinged side of the cover through the elements 5—5. The bars 6 are means adjacent the hinged edge of the supporting member 4 on which garments may be primarily folded. The edge 11 is a folding edge on the free side of the supporting member 4 on which garments are secondarily folded.

Shoemaker Patent Claim 18: The Balkan structure has a garment supporting member 4 hingedly connected to the hinged side of the cover 2 and adapted to be hinged to a horizontal position over the body portion 1 to receive garments, as in exhibit 8a. The garment supporting means 6 are adapted to have [44] the garments primarily folded thereon and the same are removably carried on the trolleys 7—7 adjacent the hinged side of said supporting member, when the fixture is arranged as in exhibits 8a or 8b. The supporting member 4 has a folding edge 11 on its free side over which garments may be secondarily folded and the secondary fold takes place as the supporting member is moved to packed position in the cover member as in exhibit 8b. The means for retaining garments on the folding edge are the straps 12 and/or the curtain 13.

Shoemaker Patent Claim 19: The Balkan structure has a body portion 1, a cover portion 2, hingedly connected to the body portion, a garment supporting member 4 hingedly connected to the hinged side of the cover portion through the members 5—5. It also has a garment supporting means 6 and the garment supporting member has trolleys 7—7 and the adjoining connections and arm portions whereby the garment supporting means 6 are removably attached adjacent the hinged connection of the cover portion, when the mechanism is arranged as in exhibits 8a and 8b.

Shoemaker Patent Claim 22: The Balkan structure has a body portion 1, a hinged cover portion 2,

and garment supporting means 6 on which garments may be primarily folded. The means 6 are removably carried in the cover portion adjacent the hinged connection thereof when the fixture is folded into the cover in its normal carrying position, as in exhibit 8b. The Balkan structure also has a garment supporting member 4 which has the two parallel portions 10 and 11. The parallel portion 10 is hingedly connected to the cover portion adjacent the hinged side thereof through the inner ends of the arms 9 and the hinged connections 5. The other parallel portion 11 has a folding [45] edge on which garments may be secondarily folded.

Shoemaker Patent Claim 23: The Balkan structure has a body portion 1, a hinged cover portion 2 and a garment supporting member 4 hingedly mounted in the cover portion through the elements 5—5 and on the hinged side of the cover. The members 6 are garment supporting means. These garment supporting means are removably supported on the garment supporting member by the trolleys 7—7 and their cooperating latches. When the fixture is arranged as shown in the exhibits the garment supporting means are supported adjacent the hinged connection 5—5 of the member 4.

Shoemaker Patent Claim 24: In the Balkan exhibits the garment supporting member 4 is hingedly carried by the hinged side of the cover 2 through the elements 5—5. Trolley means 7 on the garment supporting member removably support a hanger 6

adjacent the hinged side of the cover when the apparatus is arranged as shown in the exhibits.

Shoemaker Patent Claim 25: The Balkan structure has a body portion 1, a hinged cover portion 2, a garment supporting member 4 hingedly carried in the luggage through the elements 5—5 and a hanger rod 6. This hanger rod is removably carried adjacent the hinged connection of the body portion and the cover portion by being mounted on the trolley rods 7—7 which are at the inner end of the member 4 when the fixture is arranged as in exhibits 8a and 8b.

Shoemaker Patent Claim 26: The Balkan structure has a cover 2 and a garment supporting member 4. One side of the member 4 is hingedly connected to one side of the cover and the other side of the garment supporting member is adapted to swing to a position adjacent the other side of the cover as in exhibit [46] 8a. A garment supporting means 6 is carried on the first mentioned side of the member 4.

Shoemaker Patent Claim 27: The analysis as to claim 26 applies to this claim and it is pointed out that in Balkan the garment supporting means 6 is, in the position shown in exhibit 8b, in the cover adjacent the first mentioned or hinged side of the garment supporting member 4.

Particular IIIb:

This is answered by Particular IIIa which is responsive to the relied upon claims of the Shoemaker patent and as each claims sets forth a com-

bination of elements which defines the new and patentable subject matter of the patent in suit it is believed that Particular IIIa also completely answers IIIb.

Particular IV:

In the Shoemaker patent in suit the "garment supporting member" is identified in the drawings as follows: Member 12 in Fig. 1; member 12 in Fig. 4; member 12 in Fig. 5; member 12 in Fig. 7; member 12a, 12b and 12c in Fig. 8; member 12 in Fig. 9; and member 12 in Fig. 11.

Particular V:

"The garment supporting means" is identified in the several figures of the drawings of the Shoemaker patent by the numeral 30 and in the modification shown in Fig. 11 the garment supporting means is the element 36.

Particular VI:

"The garment supporting member" is described in the following places in the specification of the patent in suit: Page 2, lines 14 to 19; page 2, lines 57 to 69.

Particular VII:

"The garment supporting means" are described in the [47] following places in the specification of the patent in suit: Page 2, line 66; page 2, lines 120 to 129; page 3, lines 30 to 39; page 3, lines 116 to 123.

Particular VIII:

On the attached exhibits 8a and 8b defendants' structure includes "a garment supporting member" identified generally by the numeral 4. This member includes the side arms 8—8 and 9—9, the inner bar 10, the outer bar 11 forming a folding edge and the means at the free ends of the arms 8 for removably supporting hanger rods.

Particular IX:

In the attached exhibits 8a and 8b defendants' "garment supporting means" are identified by the numeral 6.

Particular Xa to Xg:

Particulars Xa to Xg are filed herewith under seal as said particulars have to do with the dates of conception, reduction to practice, disclosures and drawings.

Dated: November 30th, 1939.

TOWNSEND & HACKLEY

ROY C. HACKLEY, JR.

MORSELL, LIEBER & MORSELL

[Printer's Note: Plaintiff's Exhibits 8a and 8b attached hereto are set out in the Book of Exhibits.]

[Endorsed]: Filed Nov. 30, 1939. [48]

[Title of District Court and Cause—No. 21271-R.]

PARTICULAR Xa TO Xg

Particular Xa:

Early in November 1928, at Kitchener, Ontario, Canada.

Particular Xb:

Early in November 1928, at Kitchener, Ontario, Canada, to employees and officials of The L. McBrine Company, Limited, and shortly thereafter to Harold Shipman of Ottawa, Canada. [51]

Particular Xc:

In November 1928, in the offices of Harold Shipman, Patent Attorney, of Ottawa, Canada, by his draftsman.

Particular Xd:

In November 1928, by Harold Shipman in Ottawa, Canada.

Particular Xe:

In the plant of The L. McBrine Company, Limited, Kitchener, Ontario, Canada, in November 1928.

Particular Xf:

By Emanuel J. Shoemaker at Kitchener, Ontario, Canada, in November, 1928.

Particular Xg:

First commercially introduced by The L. McBrine Company, Limited, at Kitchener, Ontario, Canada, in about December, 1928, which commercial introduction was in Canada, and the invention was

later introduced into the United States by Emanuel J. Shoemaker in February, 1929, and shortly thereafter, in the spring of 1929, the invention was manufactured and sold in the United States by Mendel-Drucker Co. of Cincinnati, Ohio, which company has exploited the invention since that date, as have other companies in the United States.

Dated: November 30th, 1939.

TOWNSEND & HACKLEY

ROY C. HACKLEY, JR.

MORSELL, LIEBER & MORSELL

[52]

[Title of District Court and Cause—No. 21273-R.]

PLAINTIFF'S BILL OF PARTICULARS

Particular I:

The claims which plaintiff will rely on are the following: 1, 2, 4, 8, 10, 11, 12, 13, 14, 18, 19, 22, 23, 24, 25, 26 and 27.

Particular II:

Upon information and belief plaintiff asserts that the business known as H. Koch & Sons is a co-partnership including Herman Koch, Harold M. Koch and William L. Koch. Herman Koch has [53] been represented as the principal in the business but upon information and belief plaintiff asserts that Harold M. Koch, William L. Koch and Rebecca Koch are also active in the business. The acts of infringement complained of by the plaintiff

are the manufacture and sale of wardrobe hand luggage in violation of the Shoemaker letters patent in suit. In view of the present information as to the activity of the said Harold M. Koch, William L. Koch and Rebecca Koch in the business, together with Herman Koch, plaintiff charges that the complained of acts of infringement are the joint and several acts of the specified defendants.

Particular III:

Each of the relied upon claims of the patent in suit is a complete statement of what plaintiff believes to be new and patentable. Therefore, the combinations defined by the claims specified in Particular I respectively define the alleged new and patentable structures.

Particular IV:

The acts of the defendants asserted to constitute infringement of the patent in suit are making and selling devices alleged to be under the relied upon claims of the patent in suit. In view of the association of the defendants Harold M. Koch, William L. Koch and Rebecca Koch with Herman Koch in the conduct of the business it is believed that the complained of infringements were the joint and several acts of the defendants.

Particular V:

The attached photographs exhibits, plaintiff's exhibits 7a and 7b, are reproductions of a wardrobe suitcase manufactured and sold by defendants prior to the filing of the Complaint herein. The ward-

robe case itself is in evidence as plaintiff's exhibit 7 and the several photographs show the wardrobe case in [54] open position with the garment supporting and retaining mechanism in its several positions. The said exhibits 7, 7a and 7b of course represent but one form of wardrobe case manufactured and sold by defendants. Upon securing answers to plaintiff's interrogatories and the furnishing of showings of the additional articles of manufacture by the defendants it may of course be contended that cases of defendants' manufacture, other than that embodied in exhibits 7, 7a and 7b are likewise within the relied upon claims of the patent in suit. Reference numerals applied to said photographs indicate the various elements of the claims. Each of the relied upon claims will be applied to said illustrated structure in accordance with the requirement of Bill of Particulars Item 5 as follows:

Shoemaker Patent Claim 1: A body portion of the luggage—1; a cover portion—2; the hinged connection between the cover portion and the body portion—3; the garment supporting member and entire swinging and folding frame unit indicated generally by the numeral 4; the hinged connections between the garment supporting member and the hinged side of the cover are indicated at 5; the garment supporting means are the individual hanger bars 6 and as shown in the photographs the same are carried adjacent the hinged connections 5 of the supporting member.

Shoemaker Patent Claim 2: The elements as applied in connection with claim 1 cover the situation with respect to claim 2 and the garment supporting means is specified as being removable. In attached exhibits 8a and 8b the hanger rods 6 have reduced end portions which are engaged in slotted brackets 7. The hanger bars 6 are readily removable from the brackets 7 in the structure of exhibits 7a and 7b when the fixture is in the position shown in exhibit 7a. [55]

Shoemaker Patent Claim 4: The application of the elements of this claim to the Koch structure is the same as above given except for the last element which specifies "a garment supporting means removably carried by the hinged side of said supporting member". In the attached exhibits a garment supporting means 6 is removably mounted in the brackets 7 which brackets are rigidly carried by the inner end portions of the folding side arms 8 of the garment supporting member 4. The outer side arms 9 of the garment supporting member 4 are hingedly connected to the hinged side of the cover 9 at 5 and with the garment supporting member arranged in the position shown in either exhibit 7a or 7b, the garment supporting means 6 are removably carried by the hinged side of the supporting member 4. The arms 8 of the supporting member 4 furthermore carry angled brackets 15 which engage over the arms 9 and support the arms 8 in folded relation adjacent the arms 9 whereby the

garment supporting means are carried by the hinged side of the supporting member 4.

Shoemaker Patent Claim 8: The Koch structure as illustrated has a body portion 1, a cover portion 2, hingedly connected to the body portion as at 3, a garment supporting member 4 hingedly connected to the hinged side of the cover portion as at 5, and a garment supporting means 6. In the Koch structure a garment is primarily folded on a hanger bar 6. This hanger bar is carried by the hinged side of the supporting member as brought out in connection with claim 4. The garment supporting member 4 has a folding edge 11 on its free side and the garment is secondarily folded on said free edge.

Shoemaker Patent Claim 10: The complained of Koch structure has a body portion 1, a cover portion 2 hingedly connected to the body portion as at 3. It has a garment supporting member 4 [56] carried by the hinged side of the cover portion 2 through the medium of the hinged connections 5—5. Said supporting member 4 embodies a garment supporting means 6 on which a garment may be primarily folded and it furthermore has a folding edge 11 on which garments may be secondarily folded. When the supporting member is packed it is swung entirely into the cover of the case as in exhibit 7b and releasable latches 12 are provided for retaining the supporting member in packed position in the cover and this is also accomplished by a retaining curtain 13 which may be swung over

the open side of the cover to enclose the garment supporting member and which is adapted to be secured at its lower edge within the hinged side of the cover. When the illustrated case is in normal carrying position the garments are supported in the cover in parallel relationship to the normal carrying position of the luggage.

Shoemaker Patent Claim 11: The Koch garment supporting member 4 is hingedly connected to the hinged side of the cover 2 through the connections 5—5. The member 4 is adapted to be hinged to a horizontal position over the body portion 1 while being packed, as in exhibit 7a. The garment supporting means 6 are removably carried by the hinged side of the supporting member 4 and the folding edge 11 is on the free side of the supporting member 4 and garments are secondarily folded thereon as the member 4 is moved to packed position within the cover, as in exhibit 7b.

Shoemaker Patent Claim 12: The complained of structure has a body portion 1, a cover portion 2, hingedly connected to the body portion as at 3. The garment supporting member is supported on the hinged side of the cover portion through the elements 5—5. The garment supporting member has a primary folding means 6 and a secondary folding means 11, both for supporting garments [57] and they are on the supporting member 4 in parallel relationship to the normal carrying position of the luggage as will appear from exhibit 7b.

Shoemaker Patent Claim 13: The Koch structure has a body portion 1, a cover portion 2, hingedly connected to the body portion as at 3. The garment supporting means 6 are carried adjacent the hinged connection of the cover portion as disclosed in the exhibits. The garment supporting member 4 is hingedly connected to the hinged side of the cover through the elements 5—5. The member 4 has a folding edge 11 on its free side which folding edge is adapted to register adjacent the free side of the cover when the member 4 is moved to packed position within the cover, as clearly shown in exhibit 7b.

Shoemaker Patent Claim 14: This claim again specifies the body portion 1, the hinged cover 2, and the supporting member 4. The supporting member 4 is hingedly connected to the hinged side of the cover through the elements 5—5. The bars 6 are means adjacent the hinged edge of the supporting member 4 on which garments may be primarily folded. The edge 11 is a folding edge on the free side of the supporting member 4 on which garments are secondarily folded.

Shoemaker Patent Claim 18: The Koch structure has a garment supporting member 4 hingedly connected to the hinged side of the cover 2 and adapted to be hinged to a horizontal position over the body portion 1 to receive garments, as in exhibit 7a. The garment supporting means 6 are adapted to have the garments primarily folded thereon and the same are removably carried in the brackets 7—7 adjacent the hinged side of said supporting

member, when the fixture is arranged as in exhibits 7a or 7b. The supporting member 4 has a folding edge 11 on its free side [58] over which garments may be secondarily folded and the secondary fold takes place as the supporting member is moved to packed position in the cover member as in exhibit 7b. The means for retaining garments on the folding edge are the latches 12 and/or the curtain 13.

Shoemaker Patent Claim 19: The Koch structure has a body portion 1, a cover portion 2, hingedly connected to the body portion, a garment supporting member 4 hingedly connected to the hinged side of the cover portion through the members 5—5. It also has a garment supporting means 6 and the garment supporting member has slotted brackets 7—7 and the adjoining connections and arm portions whereby the garment supporting means 6 are removably attached adjacent the hinged connection of the cover portion, when the mechanism is arranged as in exhibits 7a and 7b.

Shoemaker Patent Claim 22: The Koch structure has a body portion 1, a hinged cover portion 2, and garment supporting means 6 on which garments may be primarily folded. The means 6 are removably carried in the cover portion adjacent the hinged connection thereof when the fixture is folded into the cover in its normal carrying position, as in exhibit 7b. The Koch structure also has a garment supporting member 4 which has the two parallel portions 10 and 11. The parallel portion 10 is hingedly connected to the cover portion adjacent the

hinged side thereof through the inner ends of the arms 9 and the hinged connections 5. The other parallel portion 11 has a folding edge on which garments may be secondarily folded.

Shoemaker Patent Claim 23: The Koch structure has a body portion 1, a hinged cover portion 2 and a garment supporting member 4 hingedly mounted in the cover portion through the elements 5—5 and on the hinged side of the cover. The members 6 are [59] garment supporting means. These garment supporting means are removably supported on the garment supporting member by the brackets 7—7. When the fixture is arranged as shown in the exhibits the garment supporting means are supported adjacent the hinged connection 5—5 of the member 4.

Shoemaker Patent Claim 24: In the Koch exhibits the garment supporting member 4 is hingedly carried by the hinged side of the cover 2 through the elements 5—5. Slotted brackets 7 on the garment supporting member removably support a hanger 6 adjacent the hinged side of the cover when the apparatus is arranged as shown in the exhibits.

Shoemaker Patent Claim 25: The Koch structure has a body portion 1, a hinged cover portion 2, a garment supporting member 4 hingedly carried in the luggage through the elements 5—5 and a hanger rod 6. This hanger rod is removably carried adjacent the hinged connection of the body portion and the cover portion by being mounted in the slotted brackets 7—7 which are at the inner end

of the member 4 when the fixture is arranged as in exhibits 7a and 7b.

Shoemaker Patent Claim 26: The Koch structure has a cover 2 and a garment supporting member 4. One side of the member 4 is hingedly connected to one side of the cover and the other side of the garment supporting member is adapted to swing to a position adjacent the other side of the cover as in exhibit 7a. A garment supporting means 6 is carried on the first mentioned side of the member 4.

Shoemaker Patent Claim 27: The analysis as to claim 26 applies to this claim and it is pointed out that in Koch the garment supporting means 6 is, in the position shown in exhibit 7b, [60] in the cover adjacent the first mentioned or hinged side of the garment supporting member 4.

Particular VII:

Notice of the alleged infringement of the patent in suit was given to H. Koch & Sons, Inc. by registered letter sent to them on April 27, 1939, for which a return receipt was received. Correspondence was thereafter had with relation to the notice and the matter of the infringement with Messrs. Stern and Grupp of San Francisco, California, then representing H. Koch & Sons. For a number of years prior to the filing of the Complaint herein wardrobe cases manufactured and sold in the United States by one of plaintiff's licensees bore marking tags which contained the number of the Shoemaker patent in suit.

Particular IX:

The non-exclusive licenses mentioned in paragraph VIII of plaintiff's Complaint were licenses under the United States letters patent in suit here. Approximately 100,000 or more articles of wardrobe hand luggage have been manufactured and sold in the United States under the licenses granted under the patent in suit. Information is not available as to whether all of such articles were marked with the notice of the United States patent in suit here but one of the United States licensees, which alone has manufactured and sold in excess of 70,000 of the items in question in the United States has applied tags to its licensed items of hand luggage, which tags bore the number of the patent here in suit since shortly after the procurement of the license in early 1935.

Dated: December 11th, 1939.

TOWNSEND & HACKLEY,
CHAS. E. TOWNSEND,
ROY C. HACKLEY, JR.,
Of Counsel for Plaintiff. [61]

Receipt of within copy of plaintiff's bill of particulars is acknowledged this 11th day of December, 1939.

GEORGE B. WHITE,
Attorney for Defendants.

[Printer's Note: Plaintiff's Exhibits 8a and 8b attached hereto are set out in the Book of Exhibits.]

[Endorsed]: Filed Dec. 11, 1939. [62]

[Title of District Court and Cause—No. 21,273-R.]

INTERROGATORIES

Now comes the above named plaintiff, through its attorney, and propounds the following interrogatories under the provisions of Rule 33 of the Rules of Civil Procedure, said [65] interrogatories to be answered by Herman Koch, or the defendant having special knowledge of any of the facts and information elicited.

1. Is the concern known as "H. Koch and Sons" a co-partnership?

2. If the answer to interrogatory No. 1 is in the affirmative, name the various co-partners.

3. If the answer to interrogatory No. 1 is in the negative, state the exact character and personnel of the concern known as "H. Koch and Sons."

4. If, according to the answers to interrogatories 2 and 3, Herman Koch, Harold M. Koch, William L. Koch, and Rebecca Koch, or any of them, are connected with and interested in the conduct of the business known as "H. Koch and Sons", state fully the duties and interest of each, specifying which of these individuals, if any, are in charge of manufacturing operations, and which, if any, are in charge of the sales of luggage.

5. Did the defendants, or any of them, receive by registered mail a letter on the letter-head of Morsell, Lieber & Morsell of Milwaukee, Wisconsin calling attention to the U. S. patent to Shoemaker No. 1,878,989 owned by the plaintiff herein, and charg-

ing H. Koch and Sons with infringement of the same?

6. In any hand luggage manufactured and sold by H. Koch and Sons within six years prior to the filing of the bill of complaint herein, was there incorporated within the luggage case or cases certain garment folding and compacting fixtures and generally characterized by a swingable unit pivotally mounted within the cover section of the case and having associated therewith, adjacent the hingedly connected end of the cover, one or more removable bars or hangers, the latter [66] being for the primary folding of garments, which are secondarily folded over the outer end of the swinging unit?

7. If the answer to interrogatory No. 6 is in the affirmative, give the names, style numbers, or other descriptive or identifying designations of such items.

8. If the answer to interrogatory No. 6 is in the affirmative, give the name or names of the company or companies from whom you secured the garment folding and compacting fixtures.

9. If the answer to interrogatory No. 6 is in the affirmative, please state whether or not any of the defendants, or their workmen or employees assembled or mounted the fixtures within hand luggage cases.

10. If the answer to interrogatory No. 9 is in the affirmative, please state whether the hand luggage cases with the fixtures mounted therein were, prior to the filing of the bill of complaint herein,

and within six years prior thereto, offered for sale or sold by any of the defendants or their agents or employees.

11. If the answer to interrogatory No. 6 is in the negative, state whether or not, within six years prior to the filing of the bill of complaint herein, the defendants, or any of them, have manufactured, or assembled and sold, any forms of hand luggage having special equipment therein for folding and retaining garments, and if so, describe or furnish drawings, cuts or photographs of the interiors of such forms of wardrobe hand luggage.

12. Name the persons having a financial interest in the business known as "H. Koch and Sons". [67]

Remarks

The above interrogatories are propounded under the authority of Rule 33 of the Federal Rules of Civil Procedure. Prior to the filing of these interrogatories the defendants moved for a Bill of Particulars. If plaintiff is called upon to furnish the particulars, certain of the same can not be answered unless plaintiff is first furnished with the information elicited by certain of its interrogatories. For instance the answer to Particulars 1 and 5 are dependent upon information plaintiff may secure through interrogatories Nos. 6 to 11 inclusive. Particulars Nos. 2, 4 and 6 can only be answered accurately if plaintiff's interrogatories 1, 2, 3, 4 and 12 are first answered by the defendants. Likewise

plaintiff's interrogatory No. 5 relates to defendant's particular No. 7.

Generally stated, the above interrogatories seek information within the special knowledge of the defendants, or any of them, which information is needed for a simplification of the issues, and will also save the time of the Court and the parties in the establishment of plaintiff's prima facie case.

The Rules of Civil Procedure (26-37) were formulated to grant the widest latitude in ascertaining before trial facts concerning the real issues in dispute, and to permit interrogatories to parties in connection with any relevant matter with a view to simplifying the issues. (Nichols et al v. Sanborn Co., 24 F. S. 908.)

Dated: October 9, 1939.

MORSELL, LIEBER
& MORSELL,
CURTIS B. MORSELL,
Attorneys for Plaintiff.
TOWNSEND & HACKLEY,
ROY C. HACKLEY, JR.,
Of Counsel for Plaintiff. [68]

Service of the foregoing interrogatories acknowledged this 9th day of October, 1939.

GEORGE B. WHITE,
Attorney for Defendants.

[Endorsed]: Filed Oct. 10, 1939. [69]

[Title of District Court and Cause—No. 21273-R.]

DEFENDANTS ANSWERS TO PLAINTIFF
INTERROGATORIES

Now come the defendants above named and answer plaintiff, as follows:

Interrogatory No. 1. The answer is "No".

Interrogatory No. 2. See answer to Interrogatory No. 1.

Interrogatory No. 3. The concern known as "H. Koch & Sons" consists of defendant, Herman Koch an individual, doing business under said name.

Interrogatory No. 4. See answers to Interrogatories 2 and 3. The remaining defendants are employees in said business, to wit: Harold M. Koch and William L. Koch work in manufacturing luggage, and Rebecca Koch works as bookkeeper and stenographer.

Interrogatory No. 5. Defendant Herman Koch received a registered letter calling attention to the Shoemaker patent in suit, but none [70] of the other defendants received any letter regarding said patent.

Interrogatory No. 6. The answer is "No".

Interrogatory No. 7. See answer to Interrogatory No. 6.

Interrogatory No. 8. See answer to Interrogatory No. 6.

Interrogatory No. 9. See answer to Interrogatory No. 6.

Interrogatory No. 10. See answer to Interrogatory No. 6.

Interrogatory No. 11. In answer to this interrogatory and also in compliance with the stipulation in this cause with respect to plaintiff's motion for discovery and production of documents, annexed hereto are photo copies of photographs, marked Exhibit "A", which are representative of Wardrobe hand luggage having means in the cover for holding garments manufactured and sold by H. Koch & Sons, within six years prior to the filing of the Bill herein.

Interrogatory No. 12. See answer to interrogatory No. 3.

HERMAN KOCH,
Defendant.

State of California,
City and County of San Francisco—ss.

Herman Koch, being first duly sworn, deposes and says: I am one of the defendants in the above named cause, and I subscribe my name to the foregoing answers to interrogatories and know the contents thereof, that the same are true of my own knowledge.

HERMAN KOCH.

Subscribed and sworn to before me this 30th day of November, 1939.

(Seal) KATHRYN E. STONE,
Notary Public in and for the City and County of
San Francisco, State of California.

My Commission expires March 1, 1941.

Receipt of a copy of the within answers to plaintiff's interrogatories on this 30th day of November, 1939, is hereby acknowledged.

TOWNSEND & HACKLEY,
Attorneys for Plaintiff.

[Endorsed]: Filed Nov. 30, 1939. [71]

MATCHED AIRPLANE SETS WITH EVERY WANTED FEATURE!

29-INCH FORTNIGHTER19.95

Carries up to 12 dresses or 3 men's suits.
Felt-backed dust curtains—for protection.
Removable bottom, partition—use 2 ways.
Use letter A for mail order

21-inch Overnight Case to match, 8.95
Use letter B for mail order

You'll want this completely matched set at only

21-INCH WARDROBE CASE:

- ★ Lid contains 4 hangers for 6 to 10 dresses up to 60 inches long—keeps them wrinkle-free.
 - ★ Hanger fixture removable—dresses can be hung in closet without removing from hangers.
 - ★ Entire body space available for lingerie, hats, shoes, etc. (Case priced separately at \$12.95)
- Use letter C for mail order

18-INCH OVERNIGHT CASE:

- ★ Has 2 bottom pockets and 1 large lid pocket of canvas. Piano wire and latex reinforcement.
 - ★ Designed to carry the personal travel accessories needed for overnight use.
 - ★ Matches wardrobe case in design and quality of workmanship. (Priced separately, \$7.95.)
- Use letter D for mail order

19⁹⁵

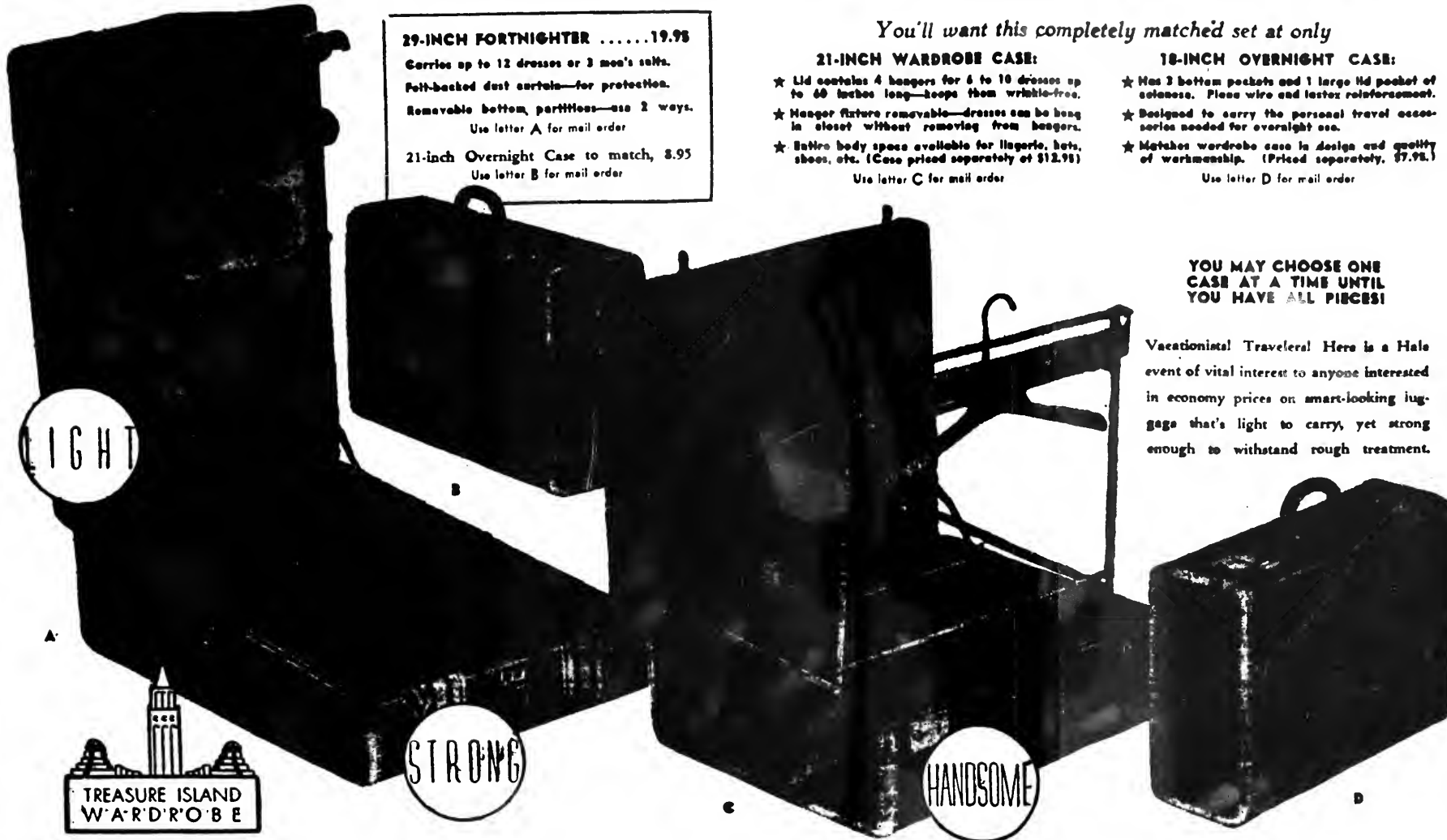
SET of 21-inch wardrobe and 18-inch overnight cases

YOU MAY CHOOSE ONE CASE AT A TIME UNTIL YOU HAVE ALL PIECES!

Vacationists! Travelers! Here is a Hale event of vital interest to anyone interested in economy prices on smart-looking luggage that's light to carry, yet strong enough to withstand rough treatment.

Every Piece Has These Quality Features:

- ★ Tuff-Raw rawhide bindings—extra heavy, double stitched.
- ★ 3-ply wood veneer cases—dovetailed construction.
- ★ Canvas covers—pyroxilin coated, weather resistant, washable.
- ★ Best quality inset locks—non-tarnishable.
- ★ Unbreakable crystal handles—a new transparent plastic material.
- ★ Solid, riveted handleposts—for extra security.
- ★ Celanese lined—with piano wire reinforced, bloused pockets.
- ★ Non-tarnishable studs on bottom and sides—for extra protection.
- ★ Rounded, streamlined edges—with reinforced, moulded construction.
- ★ Double stitched, rawhide hinges.
- ★ Colors and patterns—tan stripes; also brown or gray "tweed."



TREASURE ISLAND
WARDROBE



[Title of District Court and Cause—No. 21,273-R.]
DEMAND FOR ADMISSION OF FACTS AND
OF GENUINENESS OF DOCUMENTS OF
RULE 36 OF THE RULES OF CIVIL PRO-
CEDURE.

In behalf of the plaintiff in the above entitled cause, we hereby ask that defendants herein admit in writing the execution and genuineness of the following letters, copies of which are [73] hereunto annexed, enumerated as follows:

Letter of May 2, 1939 on letterhead of Stern & Grupp addressed to Morsell, Lieber & Morsell;

Letter of May 10, 1939 on letterhead of Stern & Grupp addressed to Morsell, Lieber & Morsell;

Letter of June 27, 1939 on letterhead of Stern & Grupp addressed to Morsell, Lieber & Morsell.

We also call upon you to admit in writing the receipt by H. Koch & Sons, Inc., and by Stern & Grupp (attorneys representing H. Koch & Sons, Inc.) the following identified letters, copies of which are attached hereto:

Registered letter from Morsell, Lieber & Morsell of April 27, 1939 addressed to H. Koch & Sons, Inc. of San Francisco, California;

Letter of May 4, 1939 from Morsell, Lieber & Morsell to Stern & Grupp of San Francisco, California;

Letter of May 15, 1939 from Morsell, Lieber & Morsell to Stern & Grupp; and

Letter of June 15, 1939 from Morsell, Lieber & Morsell to Stern & Grupp.

We ask you to admit in writing that the letters enumerated in the last group were in fact received by the parties to whom they were addressed shortly after the dates appearing on said letters.

Dated: January 16, 1940.

MORSELL, LIEBER &
MORSELL,
CURTIS B. MORSELL,
Attorneys for Plaintiff.
TOWNSEND & HACKLEY,
Counsel for Plaintiff.

Service of the foregoing demand for admission of facts and of genuiness of documents acknowledged this 22nd day of January, 1940.

GEORGE B. WHITE,
Attorney for Defendnts. [74]

Stern & Grupp
Mills Building
San Francisco

May 2, 1939

Morsell, Lieber & Morsell
633 Empire Building
Milwaukee, Wisconsin

Gentlemen:

Your letter of April 27 addressed to H. Koch & Sons has been placed with us for our attention.

We are ordering from the Patent Office copies of your client's patent and as soon as we have had the

same investigated by our patent attorneys we will advise you in the premises.

It might expedite matters if you would air mail to us a copy of the patent you claim H. Koch & Sons are infringing.

Very truly yours,
STERN & GRUPP
By (Sgd. MORRIS M. GRUPP)

MMG:LC [75]

Stern & Grupp
Mills Building
San Francisco

May 10, 1939

Morsell, Lieber & Morsell
Empire Building
Milwaukee, Wisconsin

Re: H. Koch & Sons

Gentlemen:

Thanks for your letter of May 4th with the enclosed copy of patent, which we will retain for a few days more and then return same to you, as per your request.

Inasmuch as our client manufactures a great variety of luggage, it would expedite our analysis and answer if you would be kind enough to advise us at this time the particular luggage which is the subject of your complaint. You must by this time have either a sample or some photograph of the particular item you complain of. Off hand, we are

unable to find any luggage made by our clients that would answer the description given in your letter.

Very truly yours,

STERN & GRUPP

By (Sgd. MORRIS M. GRUPP)

MMG-LC [76]

Stern & Grupp
Mills Building
San Francisco

June 27, 1939

Morsell, Lieber & Morsell
633-638 Empire Building
Milwaukee, Wisconsin

Re: H. Koch & Sons

Gentlemen:

This is in answer to your letters of May 15 and June 15. The reason for the delay in answering your letters is because we have submitted this matter to our patent attorneys for their opinion.

After a careful investigation and analysis of the Shoemaker patent No. 1878989, our patent attorneys report to us the following is their opinion:

(a) Our client does not manufacture any luggage in which a garment supporting member is in any way connected to the "hinged side" of the cover portion of the luggage. Your reference to this in the letter of May 15 is either erroneous, or the luggage you have at

hand is not a product of H. Koch & Sons manufacture.

(b) The garment support in our client's luggage is not "H" shaped.

(c) The garment supporting means in our client's luggage is not mounted on the "hingedly connected portion" of the supporting frame or member, but, to the contrary, is on the free end of the garment supporting frame.

(d) Nor has our client's luggage any of the specific structural combinations defined in the various claims of the Shoemaker patent with reference to the modifications of said patent.

Therefore we have given careful consideration to your complaint. In view of the fact that we arrive at the conclusion that none of the luggage manufactured by H. Koch & Sons incorporates any structure that would be within the scope of any claims of the Shoemaker patent, we must advise our clients to disclaim any liability in the matter.

Very truly yours,

STERN & GRUPP

By (Sgd. MORRIS M. GRUPP)

MMG:LC [77]

April 27, 1939

Via Registered Mail.
H. Koch & Sons, Inc.
San Francisco, Calif.

Gentlemen:

Our attention has been directed to the fact that you are manufacturing and selling certain swing fixture equipped wardrobe cases and luggage. Our client, The L. McBrine Co., Ltd., of Kitchener, Ont., Canada, is the owner of U. S. Patent No. 1,878,989, issued Sept. 20, 1932, in the name of E. J. Shoemaker, for Hand Luggage.

We have actually compared cases manufactured by your company with the claims of said Shoemaker patent and find that your wardrobe cases directly infringe a great number of the claims of said patent.

On behalf of our client, therefore, we call upon you to immediately desist from further infringement of said Shoemaker patent and to make suitable accounting for the past infringement. In the alternative you may arrange with us for a license under this patent. May we receive an expression as to your intentions in the matter within two weeks from the above date?

Very truly yours,
MORSELL, LIEBER
& MORSELL,
By C. B. MORSELL.

CBM:AH [78]

May 4, 1939

Stern & Grupp
Attorneys at Law
Mills Building
San Francisco, Cal.

Gentlemen:

In re: H. Koch & Sons

Thank you for your letter of May 2, 1939 advising that you have been retained to represent H. Koch & Sons in the matter of the patent infringement referred to in our letter of April 27, 1939.

We have tried to secure a number of copies of the Shoemaker patent No. 1,878,989 from the Patent Office, but find that the same are now out of print. We are enclosing, pursuant to your request, our file copy of this patent, but as we do not have any extra copies available, we must ask that you have this patent copy photostated and then return the original to us.

We may state that this patent contains twenty-eight claims, and the majority of the same are, in our opinion, infringed by the complained of structure of your client. In our estimation this patent covers rather broadly the idea of a luggage case wherein a swinging frame is pivotally mounted within the inner end of the cover section of the case and has associated therewith, adjacent the hingedly connected end of the cover, a removable bar or hanger for the primary folding of garments, with the garments being secondarily folded over the outer

end of the swinging frame, the arrangement being such as to compactly hold the clothes in one section of the case.

We will be pleased to receive a statement of your client's position in the matter at an early date.

Very truly yours,
MORSELL, LIEBER
& MORSELL

By C. B. MORSELL.

CBM:RE

Encl.

Air Mail [79]

May 15, 1939

Stern & Grupp
Mills Building
San Francisco, Cal.

Gentlemen:

Re: H. Koch & Sons

Receipt is acknowledged of your favor of May 10, 1939 wherein you advise that the copy of the Shoemaker patent which we furnished to you a few days ago will be returned to us shortly.

As to your statement regarding the particular items in your client's line which form the basis of our complaint, I can only advise that we have before us a case of your client's manufacture which bears a metal tag reading "Koch's Aviation Luggage". The particular case in question is a piece

of wardrobe hand luggage for ladies' garments and includes a U-shaped frame whose arms are pivotally connected, at their inner ends, to the hinged end of the cover. The outer ends of the arms of this U-frame have pivotally attached thereto a supplemental frame member which can be unfolded so that the supplemental frame member assumes a vertical position, and at the outer ends of the arms of the supplemental frame members there is a bracket which removably holds a plurality of garment bars. When this frame is collapsed, the bracket holding the removable garment bars occupies a position within the hinged end of the cover, and garments are folded about the outer end of the primary frame member. In our estimation, this responds exactly to a number of the claims in the Shoemaker patent. It is also very possible that other items in your client's line are equally responsive to the claims of the Shoemaker patent. If you desire to submit to us a catalog or cuts of the various items in your client's line, we will be glad to indicate the various pieces of luggage which we feel conflict with the Shoemaker patent.

Very truly yours,
MORSELL, LIEBER
& MORSELL

By C. B. MORSELL

CBM:RE [80]

June 15, 1939

Stern & Grupp
Mills Building
San Francisco, Cal.

Gentlemen:

Re: H. Koch & Sons

On April 27th, 1939 we gave formal notice to your client, H. Koch & Sons, Inc. on the behalf of L. McBrine Company, Ltd., of Kitchener, Ontario, Canada re infringement of the Shoemaker patent No. 1,878,989. Your response of May 10th, 1939 requested more information, and we complied under date of May 15th, 1939. To further advise you in the matter, we are glad to enclose herewith a printed copy of the Shoemaker patent in question, and we suggest that you compare your client's complained of luggage with the claims of this patent.

Frankly, our client is not willing to have this matter further delayed, and we are instructed to institute formal suit against H. Koch & Sons unless we get a satisfactory reply from you very shortly.

Very truly yours,
MORSELL, LIEBER
& MORSELL

By C. B. MORSELL

CBM:MH

Encl.

[Endorsed]: Filed Jan. 22, 1940. [81]

[Title of District Court and Cause—No. 21,273-R.]

ADMISSION OF GENUINENESS OF
DOCUMENTS

The defendants admit the execution and genuineness of the letters, copies of which are annexed to plaintiff's demand dated January 16, 1940 under Rule 36 of the Rules of Civil Procedure without prejudice as to objections to the same on other grounds.

GEORGE B. WHITE,
Attorney for Defendants.

[Endorsed]: Filed Mar. 7, 1940. [82]

[Title of District Court and Cause—No. 21,273-R.]

STIPULATION

It is hereby stipulated by and between the parties hereto, acting through their respective counsel, that:

1. Defendants shall furnish to plaintiff, on or before October 21, 1939, pursuant to plaintiff's request therefor filed October 9, 1939, such catalogs, drawings or photographs as will fully and fairly illustrate and describe wardrobe hand [83] luggage having means in the cover for holding garments, manufactured by defendants or any of them within six (6) years prior to the filing of the complaint herein.

2. Defendants' Motion for Bill of Particulars, filed herein on September 20, 1939, may be granted as to items 1, 2, 3, 5, 7 and 9 thereof, and as to item 4 provided the words "stating the approximate date

and place of each such act'' are stricken from item 4. Defendants' said Motion for Bill of Particulars is denied as to item 6, and as to alternate items 8 and 10 in the event particulars 7 and 9 are furnished. Plaintiff shall furnish its said Bill of Particulars within ten (10) days after service upon counsel for plaintiff of defendants' response under paragraph (1) above, and within ten days after service upon plaintiff of answers to plaintiff's interrogatories filed herein on October 9, 1939; whichever date be the earlier.

3. Defendants shall have ten (10) days after service upon them of plaintiff's Bill of Particulars, filed pursuant to paragraph (2) above, within which to file their Answer to the Complaint herein.

Dated: October 14, 1939.

TOWNSEND & HACKLEY
CHAS. E. TOWNSEND
ROY C. HACKLEY

Of Counsel for Plaintiff.

GEO. B. WHITE

Attorney for Defendants.

So ordered:

MICHAEL J. ROCHE,

United States District Judge.

[Endorsed]: Filed Mar. 7, 1940. [84]

[Title of District Court and Cause—No. 21,273-R.]

STIPULATION

It is stipulated by and between the parties to the above entitled cause, through their respective coun-

sel, that uncertified, officially printed copies of the specifications and drawings of United States Letters Patent and photographic copies of foreign [85] patents as prepared by the United States Patent Office may be offered in evidence in the above entitled cause with the full force and effect of the original patents, or certified copies thereof, and subject only to such objections as would be applicable to the originals or duly certified copies thereof, any such uncertified copies to be subject to correction if errors appear upon comparison with the original or a certified copy thereof. It is further stipulated as to each uncertified copy received in evidence, that the filing date, date of issue and ownership of the original are prima facie as indicated on the face of such copy.

It is further stipulated by counsel for defendants that H. Koch & Sons manufactured and sold the luggage case constituting plaintiff's exhibit 7, and others similar thereto, and also exemplified by plaintiff's exhibits 7a and 7b, within six years prior to the filing of the Bill of Complaint herein.

Dated this 5 day of March, 1940.

MORSELL, LIEBER
& MORSELL,
CURTIS B. MORSELL
633 Empire Bldg.
Milwaukee, Wis.

Attorneys for Plaintiff.

GEORGE B. WHITE

Attorney for Defendants.

[Endorsed]: Filed Mar. 7, 1940. [86]

[Title of District Court and Cause—No. 21,273-R.]

PLAINTIFF'S FURTHER
INTERROGATORIES

Now comes plaintiff above named, pursuant to leave [87] granted by order of court as of the date hereof, and demands that defendants, under oath, by those of defendants having the best knowledge thereof, furnish the following information pursuant to the provisions of Rule 33 of the Rules of Practice in this court:

(1) State in writing when Maurice P. Koch first invented or had knowledge of the subject matter covered by the Shoemaker patent in suit No. 1,878,989 as alleged in paragraph 14 of Defendants' answer.

(2) Produce and furnish plaintiff with copies of any sketches, drawings, or photographs of the luggage case or fixture allegedly invented and known by said Maurice P. Koch as alleged in paragraph 14 of Defendants' answer, or in lieu thereof permit plaintiff to photograph, photostat, or copy such showing or material.

(3) State when, where, and for how long a period the alleged development of said Maurice P. Koch was used, and the extent of such usage.

(4) Produce and permit plaintiff to prepare copies of any documentary evidence relating to the alleged development by said Maurice P. Koch including the building of any models, and sales of any such device.

(5) State in writing the names and addresses of the parties to whom the devices allegedly developed by the said Maurice P. Koch, as alleged in paragraph 14 of the answer, were sold, and the dates of each transaction, and furnish plaintiff with copies of the invoices, orders or other [88] documents showing the transactions.

MORSELL, LIEBER
& MORSELL,
Attorneys for Plaintiff.

TOWNSEND & HACKLEY,
CHAS. E. TOWNSEND,
ROY C. HACKLEY, JR.,
Of Counsel for Plaintiff.

Dated: January 29th, 1940.

Service of a copy of the foregoing Plaintiff's Further Interrogatories acknowledged this 29th day of January, 1940.

GEORGE B. WHITE,
Attorney for Defendants.

[Endorsed]: Filed Jan. 29, 1940. [89]

[Title of District Court and Cause—No. 21,273-R.]
DEFENDANTS' ANSWERS TO PLAINTIFF'S
FURTHER INTERROGATORIES

Now come the defendants by their attorney and answer plaintiff's further interrogatories, as follows:

1. Maurice P. Koch first invented and had knowledge of the subject matter shown on the attached photograph, marked Exhibit B, on or about the end of January, 1928.

2. Attached hereto and marked Exhibit B is a photograph of the luggage case or fixture invented and known by said Maurice P. Koch, as alleged in paragraph 14 of Defendants' answer herein.

3. The type of luggage case or fixture shown in Exhibit B was used from about May, 1928, for about 3 years, and over 5000 of the same were manufactured and sold.

4. Copies of documentary evidence at present [90] at hand are attached hereto and marked Exhibits C, D and E.

5. The devices shown in the photograph, Exhibit B, herein were sold throughout 1928 to about 1931 to the customers of H. Koch & Sons, but defendants at present have no list of names and dates of sales or invoices or orders at hand because of the loss of records and of the discontinuance of defendants' business in about 1935.

GEORGE B. WHITE,
Attorney for Defendants.

State of California,
City and County of San Francisco—ss.

George B. White, being first duly sworn, deposes and says: That he is the attorney for the defendants in the above named cause; that the facts in the foregoing answer to interrogatories are within

the personal knowledge of affiant; that he has read the foregoing answers to interrogatories and knows the contents thereof and the same is true of his own knowledge; that defendant Herman Koch who has the best knowledge of said information is ill and for that reason affiant makes this verification on said defendant's behalf.

GEORGE B. WHITE.

Subscribed and sworn to before me this 5 day of March, 1940.

KATHRYN E. STONE,
Notary Public in and for the City and County of
San Francisco, State of California.

My Commission expires March 1, 1941.

Receipt of copies of the herein answers to plaintiff's further interrogatories on this 6th day of March, 1940, are hereby acknowledged.

TOWNSEND & HACKLEY,
CHAS. E. TOWNSEND,
ROY C. HACKLEY, JR. [91]



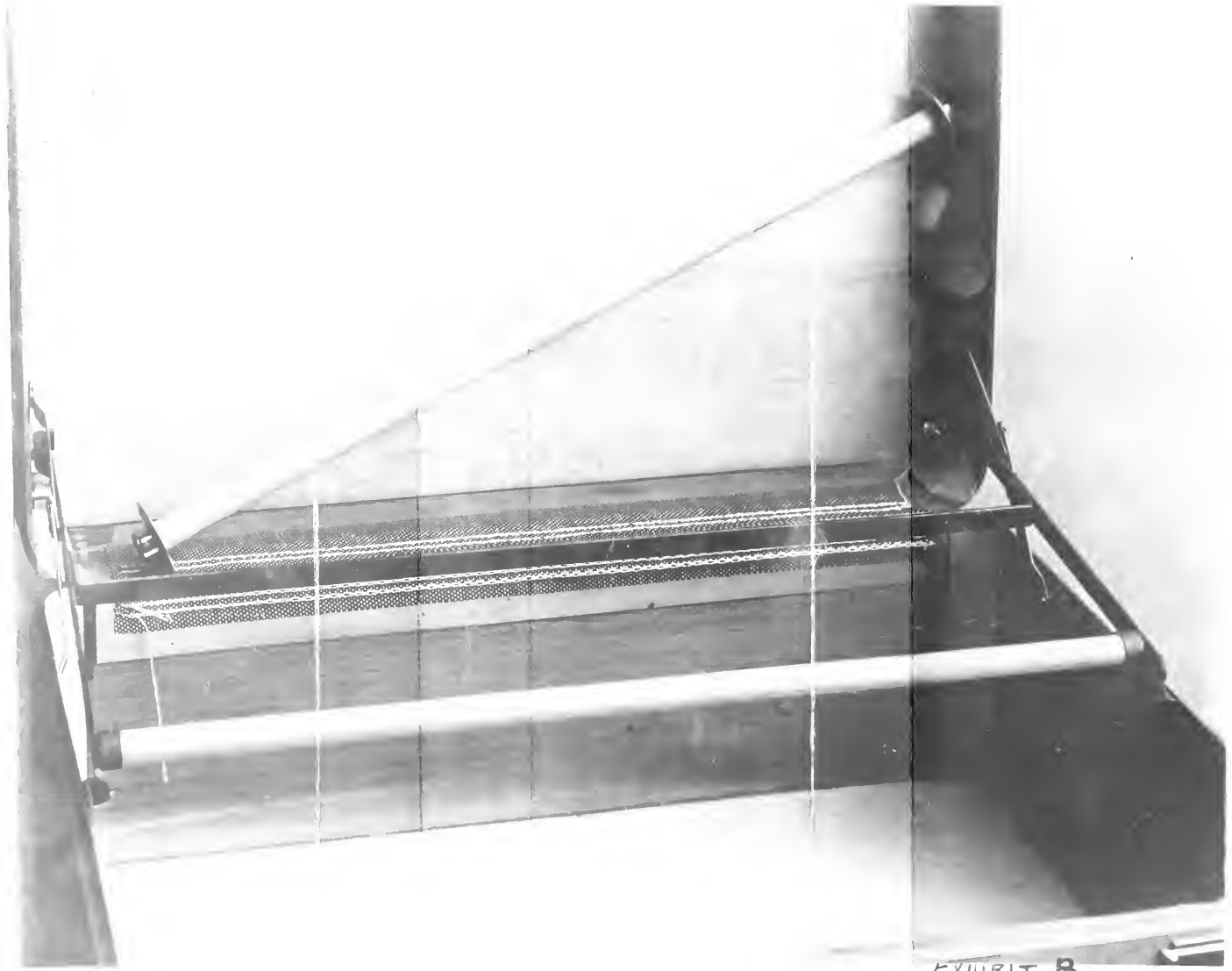


EXHIBIT B



PRODUCTION LIST

ORDER NO. 5-17-13

Koch
 Build 10,000 sets Seat Case Trolleys Tracer

PART NAME	MATERIAL			OPERATION	CHECKED BY		REMARKS
	BLANK	GA.	KIND				
1 Rail	5 16 x 3/4		Steel	Mat	18 3/8	14 3/8	see G spec
-15	1		Cut	off			Push
-29			form				get 25 lengths
2 Bracket	0.451	1/4	Steel	Mat	11	27	see G spec
-13			form				see die
-19			Piece				see die
-20				Bend in center			
-30				Rattle			
Roll Bracket	1/8		Steel	Mat	2	11	see G spec
-16			Cut	off - Blank			
-27			Piece				see die
-28			form				
-30				Rattle			
Cape	1 1/8	.020	Steel	Mat			Use Discs in see G spec
form draw							see G spec
Trimmer							
Piece							
Bracket & Rail							
Rivets							Disc in Seat B4
							Holes 85 F86
Seat Rail							to Bracket



EXHIBIT D

Sheet No..... Account No.....
 Terms Name H. KOCH & SONS
 Rating Address 416 Natoma St., City
 Credit Limit

Date	Items	Folio	Debits	Credits	Balance
1928					
May 23	Re 5-19.....412S	85	2.00		2.00
“ 17	Dep. on #5-17-A.....	279		855.00	853.00*
June 12	Re: 5-17-A..... 496	S88	310.00		543.00*
“ 30	Re: 5-17-B 593	S90	715.26		172.26
Oct. 12	.....	317		172.26	000.00
1929					
Sept. 16	8-20 906	S131	185.09		185.09
Oct. 14	.....	411		185.09	000.00

*In red ink

[94]

EXHIBIT E

June 30, 1928

H. Koch & Sons, Inc.,
 416 Natoma Street,
 City

Est #155-8 Re: 5-17-B
 2581 Long brackets) complete with
 2528 short “ pins & cups

5109 @ 14¢ ea 715.26
 715.26

Entered 593

[Endorsed]: Filed March 11, 1940.

[95]

[Title of District Court and Cause—No. 21,273-R.]

DEFENDANTS' INTERROGATORIES

Now come Defendants above named and pursuant to the provisions of Rule 33 of the Rules of Civil Procedure propound the following interrogatories to be answered under oath by the duly authorized and the thereto best qualified officer of plaintiff:

1. With respect to the patent in suit, state precisely:

(a) The date and place of conception of the alleged invention disclosed by the said patent and defined by the claims thereof;

(b) The date and place of the first disclosure of the said alleged invention and to whom such disclosure was made. [96]

(c) The date and place of the beginning of the first drawings of the said alleged invention, and by whom made and when and where completed.

(d) The date and place of the beginning of the first written description of the said alleged invention, and by whom written and when and where completed.

(e) The date and place of the first reduction to practice of the said alleged invention.

(f) The date and place of the first commercial introduction and/or sale of the said alleged invention (1) anywhere, (2) in Canada, (3) in the United States, and by whom introduced and sold in each of said places.

2. Produce and furnish defendants with copies of the first drawings of the said alleged invention,

of the first written description of the said alleged invention, if any made prior to the application for the said Letters Patent in suit.

3. Produce and permit defendants to prepare copies of any documentary evidence relating to any development of the alleged invention prior to the filing date of the application of the patent in suit herein including any models and sales of any such luggage or fixture.

4. State in writing the names and addresses of the parties to whom luggage or fixtures made in accordance with the alleged invention disclosed by the patent in suit were sold, if any, prior to the filing date of the application for the patent in suit, and state the dates of each transaction, and furnish defendants with copies of the invoices, orders, or other documents showing the transactions.

Dated: February 7, 1940.

GEORGE B. WHITE,

Attorney for Defendants.

Service of a copy of the foregoing defendants' interrogatories is acknowledged this 7th day of February, 1940.

TOWNSEND & HACKLEY,

JACK E. HURSH,

Attorneys for Plaintiff.

[Endorsed]: Filed Feb. 9, 1940. [97]

[Title of District Court and Cause—No. 21,273-R.]
PLAINTIFF'S ANSWERS TO DEFENDANTS'
INTERROGATORIES [98]

Now comes the plaintiff above named and through its General Manager, Emanuel J. Shoemaker, and answers defendants' interrogatories as follows:

Interrogatory No. 1 (a): Early in November, 1928, at Kitchener, Ontario, Canada.

Interrogatory No. 1 (b): Early in November, 1928, at Kitchener, Ontario, Canada, to employees and officials of The L. McBrine Company, Limited, and shortly thereafter to Harold Shipman of Ottawa, Canada.

Interrogatory No. 1 (c): In November, 1928, in the offices of Harold Shipman, Patent Attorney, of Ottawa, Canada, by his draftsman.

Interrogatory No. 1 (d): In November, 1928, by Harold Shipman, in Ottawa, Canada.

Interrogatory No. 1 (e): In the plant of The L. McBrine Company, Limited, Kitchener, Ontario, Canada, in November, 1928.

Interrogatory No. 1 (f): First commercially introduced by The L. McBrine Company, Limited, at Kitchener, Ontario, Canada, in about December 1928, which commercial introduction was in Canada, and the invention was later introduced into the United States by Emanuel J. Shoemaker in February, 1929, and shortly thereafter, in the spring of 1929, the invention was manufactured and sold in the United States by Mendel-Drucker Company of Cincinnati, Ohio, which company has exploited

the invention since that date as have other companies in the United States.

Interrogatory No. 2: No drawings or written description of the invention were made prior to the application for the Letters Patent in suit. [99]

Interrogatory No. 3: Not any of the requested material is available.

Interrogatory No. 4: The records are not now available.

EMANUEL J. SHOEMAKER.

City of Kitchener,
Province of Ontario,
Dominion of Canada—ss.

Emanuel J. Shoemaker being first duly sworn, deposes and says that he has answered the above interrogatories on behalf of The L. McBrine Company, Limited, and he is General Manager of said The L. McBrine Company, Limited. He subscribed his name to the foregoing answers to the interrogatories and knows the contents thereof and that the answers are true to the best of his knowledge and belief.

EMANUEL J. SHOEMAKER.

Subscribed and sworn to before me this 22nd day of February, 1940.

Ontario, Canada (Seal) J. K. D. SIMS,
Notary Public in and for the City of Kitchener,
Province of Ontario, Dominion of Canada.

Receipt of a copy of the within answers to defendants' interrogatories is hereby acknowledged this 6th day of March, 1940.

GEORGE B. WHITE,

Attorney for Defendants.

[Endorsed]: Filed Mar. 8, 1940. [100]

[Title of District Court and Cause—No. 21,271-R.]

FINDINGS OF FACT AND CONCLUSIONS
OF LAW

The above-entitled cause having been tried on March 12, 13, 14 and 15, 1940, after due consideration the Court makes the following Findings of Fact and Conclusions of Law, to wit: [101]

FINDINGS OF FACT

1. That the parties are residents and citizens respectively as alleged in the complaint.

2. That plaintiff is the owner of Letters Patent in suit No. 1,878,989, dated September 20, 1932, issued upon an application filed on December 24, 1928.

3. That claims 4, 8, 10, 11, 12, 19, 23, 24, 26 and 27 of patent No. 1,878,989, are the claims relied upon by plaintiff.

4. That the invention of the patent in suit has had a great commercial success and has gone into wide and extensive use in the United States and elsewhere.

5. That the accused structures manufactured and sold by the defendants are fairly readable upon and respond to the relied upon claims of said patent in suit No. 1,878,989.

6. That the garment support shown in defendants' exhibits K, L and S was invented by Maurice Koch and was known and used by H. Koch & Sons in May, 1928, and luggage embodying fixtures similar to those in exhibits K, L and S were known and publicly sold in the summer of 1928 and thereafter.

7. The prior Koch luggage constitutes an anticipation of the relied upon claims of the Shoemaker patent in suit.

CONCLUSIONS OF LAW

1. Claims 4, 8, 10, 11, 12, 19, 23, 24, 26 and 27 of the Shoemaker patent No. 1,878,989 are, and each of them is, invalid and void, for anticipation by and for lack of invention over the garment support invented by Maurice Koch and used by H. Koch & Sons in May, 1928. [102]

2. If valid, the relied upon claims of the Shoemaker patent No. 1,878,989 would be infringed by the accused structures of the defendants.

3. Each side will bear its own costs.

MICHAEL J. ROCHE,
United States District Judge.

Dated: San Francisco, California, July 29th,
1940.

Receipt of a copy of the within plaintiff's proposed findings of fact and conclusions of law is herewith acknowledged this 11th day of July, 1940.

J. E. TRABUCCO,
Attorney for Defendants.

[Endorsed]: R. L. Lodged 7/11/40. Wm. J. Crosby.

[Endorsed]: Filed July 29, 1940. [103]

[Title of District Court and Cause—No. 21,273-R.]
FINDINGS OF FACT AND CONCLUSIONS
OF LAW

The above-entitled cause having been tried on March 12, 13, 14 and 15, 1940, after due consideration the Court makes the following Findings of Fact and Conclusions of Law, to wit: [104]

FINDINGS OF FACT

1. That the parties are residents and citizens respectively as alleged in the complaint.

2. That plaintiff is the owner of Letters Patent in suit No. 1,878,989, dated September 20, 1932, issued upon an application filed on December 24, 1928.

3. That claims 4, 8, 10, 11, 12, 19, 23, 24, 26 and 27 of patent No. 1,878,989, are the claims relied upon by plaintiff.

4. That the invention of the patent in suit has had a great commercial success and has gone into

wide and extensive use in the United States and elsewhere.

5. That the accused structures manufactured and sold by the defendants are fairly readable upon and respond to the relied upon claims of said patent in suit No. 1,878,989.

6. That the garment support shown in defendants' exhibits K, L and S was invented by Maurice Koch and was known and used by H. Koch & Sons in May, 1928, and luggage embodying fixtures similar to those in exhibits K, L and S were known and publicly sold in the summer of 1928 and thereafter.

7. The prior Koch luggage constitutes an anticipation of the relied upon claims of the Shoemaker patent in suit.

CONCLUSIONS OF LAW

1. Claims 4, 8, 10, 11, 12, 19, 23, 24, 26 and 27 of the Shoemaker patent No. 1,878,989 are, and each of them is, invalid and void, for anticipation by and for lack of invention over the garment support invented by Maurice Koch and used by H. Koch & Sons in May, 1928. [105]

2. If valid, the relied upon claims of the Shoemaker patent No. 1,878,989 would be infringed by the accused structures of the defendants.

3. Each side will bear its own costs.

MICHAEL J. ROCHE,
United States District Judge.

Dated: San Francisco, California, July 29th, 1940.

Receipt of a copy of the within plaintiff's proposed findings of fact & conclusions of law is herewith acknowledged this 11th day of July, 1940.

GEORGE B. WHITE,

Attorney for Defendants.

[Endorsed]: R. L. Lodged 7/11/40. Wm. J. Crosby.

[Endorsed]: Filed July 29, 1940. [106]

In the United States District Court for the Northern District of California, Southern Division

Civil Action No. 21,271-R

For Infringement of U. S. Letters Patent

No. 1,878,989

THE L. McBRINE COMPANY, LIMITED,
Plaintiff,

vs.

SOL SILVERMAN and SAM SILVERMAN, co-partners doing business under the name and style of BALKAN TRUNK & SUITCASE CO.,

Defendants.

FINAL DECREE

This cause came on to be heard and was argued by counsel and submitted to the Court for decision;

and thereupon, upon consideration thereof it was ordered, adjudged and decreed, as follows: [107]

That Claims 4, 8, 10, 11, 12, 19, 23, 24, 26 and 27 of Letters Patent of the United States No. 1,878,989, granted on September 20, 1932, to Emanuel J. Shoemaker, Assignor to The L. McBrine Company, a corporation, being the patent claims sued on in this cause, are, and each of them is, void and invalid in law.

That the bill of complaint herein be and the same is hereby dismissed with each side bearing its own costs.

Dated: This 29th day of July, 1940.

MICHAEL J. ROCHE,
United States District Judge.

Receipt of a copy of the plaintiff's proposed within final decree is herewith acknowledged this 11th day of July, 1940.

J. E. TRABUCCO,
Attorney for Defendants.

[Endorsed]: Lodged 7/11/40. Wm. J. Crosby.

[Endorsed]: Filed July 29, 1940. Walter B. Maling, Clerk. By J. P. Welsh, Deputy Clerk.

[108]

In the United States District Court for the Northern District of California, Southern Division

Civil Action No. 21,273-R

For Infringement of U. S. Letters Patent
No. 1,878,989

THE L. McBRINE COMPANY, LIMITED,
Plaintiff,

vs.

HERMAN KOCH, doing business under the name
and style of H. KOCH & SONS, and HAROLD
M. KOCH, WILLIAM L. KOCH, and RE-
BECCA KOCH, Defendants.

FINAL DECREE

This cause came on to be heard and was argued by counsel and submitted to the Court for decision; and thereupon, upon consideration thereof it was ordered, adjudged and decreed, as follows: [109]

That claims 4, 8, 10, 11, 12, 19, 23, 24, 26 and 27 of Letters Patent of the United States No. 1,878,989, granted on September 20, 1932, to Emanuel J. Shoemaker, Assignor to The L. McBrine Company, a corporation, being the patent claims sued on in this cause, are, and each of them is, void and invalid in law.

That the bill of complaint herein be and the same is hereby dismissed with each side bearing its own costs.

Dated: This 29th day of July, 1940.

MICHAEL J. ROCHE,
United States District Judge.

Receipt of a copy of the within plaintiff's proposed final decree is herewith acknowledged this 11th day of July, 1940.

GEORGE B. WHITE,

Attorney for Defendants.

[Endorsed]: Filed July 29, 1940. Walter B. Maling, Clerk. By J. P. Welsh, Deputy Clerk.

[110]

[Title of District Court and Cause—No. 21,271-R.]

NOTICE OF APPEAL

Notice is hereby given that The L. McBrine Company, Limited, the plaintiff in the above entitled case, hereby appeals to the United States Circuit Court of Appeals for the Ninth Circuit from the Judgment entered in this case by the [111] Honorable Michael J. Roche on July 29, 1940 holding the patent in suit invalid and dismissing plaintiff's complaint and from the portions of the decision of said Judge adverse to plaintiff and from the Findings of Fact, Conclusions of Law, and Rulings which were adverse to plaintiff.

CURTIS B. MORSELL,

A. L. MORSELL, JR.,

633 Empire Building,

Milwaukee, Wisconsin,

TOWNSEND & HACKLEY,

ROY C. HACKLEY, JR.,

JACK E. HURSH,

Crocker Building,

San Francisco, California,

Attorneys and Counsel

for Plaintiff.

[Endorsed]: Filed Oct. 24, 1940. [112]

[Title of District Court and Cause—No. 21,273-R.]

NOTICE OF APPEAL

Notice is hereby given that The L. McBrine Company, Limited, the plaintiff in the above entitled case, hereby appeals to the United States Circuit Court of Appeals for the Ninth Circuit from the Judgment entered in this case by the [113] Honorable Michael J. Roche on July 29, 1940 holding the patent in suit invalid and dismissing plaintiff's complaint and from the portions of the decision of said Judge adverse to plaintiff and from the Findings of Fact, Conclusions of Law, and Rulings which were adverse to plaintiff.

CURTIS B. MORSELL,

A. L. MORSELL, JR.,

633 Empire Building,

Milwaukee, Wisconsin,

TOWNSEND & HACKLEY,

ROY C. HACKLEY, JR.,

JACK E. HURSH,

Crocker Building,

San Francisco, California,

Attorneys and Counsel

for Plaintiff.

[Endorsed]: Filed Oct. 24, 1940. [114]

[Title of District Court and Causes—21,271-R and 21,273-R.]

ORDER RE COST BOND ON APPEAL

As the above entitled causes were tried together and upon the same record, and both have been

appealed to the Circuit Court of Appeals for the Ninth Circuit at the same time, it is hereby ordered and decreed that only one cost bond on appeal, in the amount of Two Hundred Fifty Dollars (\$250) need be filed in these actions.

Dated: October 25, 1940.

MICHAEL J. ROCHE,
United States District Judge.

[Endorsed]: Filed Oct. 25, 1940. [115]

[Title of District Court and Causes—21,271-R and
and No. 21,273-R.]

The premium charged for this bond is \$10.00 per annum.

4478318

Whereas, The L. McBrine Company, Limited, Plaintiff herein, has prosecuted or is about to prosecute an appeal to the United States Circuit Court of Appeals for the Ninth Circuit, to reverse the judgment and decree rendered in the above entitled causes on the 29th day of July, 1940, by the District Court of the United States for the Northern District of California, Southern Division.

Now, therefore, in consideration of the premises, the undersigned, Fidelity and Deposit Company of Maryland, a corporation duly organized and licensed by the laws of the State of California to do a general surety business in the State of Cali-

ifornia, does hereby undertake and promise on the part of The L. McBrine Company, Limited, Appellant, that they will prosecute their appeal to effect and answer all costs if they fail to make good their appeal, not exceeding the sum of Two Hundred Fifty and no/100 (\$250.00) Dollars, to which amount said Fidelity and Deposit Company of Maryland acknowledges itself justly bound.

And further, it is expressly understood and agreed that in case of a breach of any condition of the above obligation, the Court in the above entitled matter may, upon notice to the Fidelity and Deposit Company of Maryland, of not less than ten (10) days, proceed summarily in the action or suit in which the same was given to ascertain the amount which said Surety is bound to pay on account of such breach, and render judgment therefor against it and award execution therefor.

Signed, sealed and dated this 25th day of October, 1940.

FIDELITY AND DEPOSIT
COMPANY OF MARYLAND,

By GUERTIN CARROLL,

Attorney-in-Fact.

Attest G. KEHLENBECK,

Attesting Agent.

State of California,
City and County of San Francisco—ss.

On this 25th day of October, A. D. 1940, before me, Peter Tamony, a Notary Public in and for the

City and County of San Francisco, residing therein, duly commissioned and sworn, personally appeared Guertin Carroll, Attorney-in-fact, and G. Kehlenbeck, Agent of the Fidelity and Deposit Company of Maryland, a corporation, known to me to be the persons who executed the within instrument on behalf of the corporation therein named and acknowledged me that such corporation executed the same, and also known to me to be the persons whose names are subscribed to the within instrument as the Attorney-in-fact and Agent respectively of said corporation, and they, and each of them, acknowledged to me that they subscribed the name of said Fidelity and Deposit Company of Maryland thereto as principal and their own names as Attorney-in-fact and Agent respectively.

In witness whereof, I have hereunto set my hand and affixed my official seal at my office in the City and County of San Francisco, the day and year first above written.

(Seal)

PETER TAMONY,

Notary Public in and for the City and County of
San Francisco, State of California.

My Commission expires Nov. 20, 1943.

Approved this 25th day of October, A. D. 1940.

MICHAEL J. ROCHE,

Judge, District Court.

[Endorsed]: Filed Oct. 25, 1940. [116]

In the United States District Court for the Northern District of California, Southern Division

Civil Actions Nos. 21271-R and 21273-R

THE L. McBRINE COMPANY, LTD.,

Plaintiff,

vs.

SOL SILVERMAN and SAM SILVERMAN, co-partners doing business under the name and style of BALKAN TRUNK & SUITCASE CO.,

Defendants.

THE L. McBRINE COMPANY, LTD.,

Plaintiff,

vs.

HERMAN KOCH, doing business under the name and style of H. KOCH & SONS, and HAROLD M. KOCH, WILLIAM L. KOCH and REBECCA KOCH,

Defendants.

ORDER OF CONSOLIDATION

Good cause appearing therefor, it is hereby ordered, [117] the Honorable Circuit Court of Appeals consenting thereto, that for the purpose of appeals in each of the above entitled causes one Printed Record on Appeal shall serve for both actions and may include pleadings, exhibits, and

transcript of evidence pertinent to both actions designated by counsel for the respective parties.

Hereafter, the consolidated actions shall be considered as a single appeal with papers, pleadings and briefs filed on behalf of any party serving, when applicable, for both actions.

Dated: Oct. 25, 1940.

MICHAEL J. ROCHE,
United States District Judge.

[Endorsed]: Filed Oct. 25, 1940. [118]

[Title of District Court and Causes.]

STATEMENT OF POINTS RELIED UPON

Now comes the plaintiff, The L. McBrine Company, Limited, a corporation of Kitchener, Ontario, Canada, by its attorneys, and having filed appeals to the United States Circuit Court of [119] Appeals for the Ninth Circuit from the Final Decrees heretofore entered in the above consolidated causes by the District Court on or about July 29, 1940, finding in favor of the defendants as to plaintiff's complaints and dismissing plaintiff's complaints, and states that upon its appeal it will rely upon the following points:

1. That the Court erred in dismissing plaintiff's complaints as to the defendants.
2. That the Court erred in finding (Findings of Fact Nos. 6 in both actions) that the garment support shown in defendants' exhibits K, L and S was

invented by Maurice Koch and was known and used by H. Koch & Sons in May, 1928, and luggage embodying fixtures similar to those in exhibits K, L and S were known and publicly sold in the summer of 1928 and thereafter.

3. That the Court erred in finding (Findings of Fact Nos. 7 in both actions) that the prior Koch luggage constitutes an anticipation of the relied upon claims of the Shoemaker patent in suit.

4. That the Court erred in concluding (Conclusions of Law Nos. 1 in both actions) that claims 4, 8, 10, 11, 12, 19, 23, 24, 26 and 27 of the Shoemaker patent No. 1,878,989 are, and each of them is, invalid and void, for anticipation by and for lack of invention over the garment support invented by Maurice Koch and used by H. Koch & Sons in May, 1928.

5. That the Court erred in not finding that the alleged prior invention, and prior knowledge and use claimed for the Maurice Koch & H. Koch & Sons activities from May, 1928 and thereafter, were not established by the character of proof required under the law to overthrow a patent. [120]

6. That the Court erred in not finding that defendants' exhibits K, L and S exemplify fixture-equipped luggage cases constructed just prior to the hearing of these causes and do not establish, beyond a reasonable doubt, the form of structure in fact produced by Maurice Koch in May, 1928.

7. That the Court erred in not finding that the fixtures in defendants' exhibits K, L and S do not have the claimed elements and resulting advantages

of the structure of the Shoemaker patent in suit.

8. That the Court erred in admitting in evidence over plaintiff's objections the Austrian and United States patents to Lazar Storch, defendants' exhibits D and E (Reporter's transcript pp. 90, 91 and 92).

9. That the Court erred in admitting in evidence over plaintiff's objections the Maurice Koch models, defendants' exhibits K, L and S (Reporter's transcript pp. 105 and 129).

10. That the Court erred in admitting in evidence over plaintiff's objections a drawing, defendants' exhibit U (Reporter's transcript p. 141).

11. That the Court erred in admitting in evidence over plaintiff's objections alleged models of the Storch patents, defendants' exhibits V and W (Reporter's transcript p. 142).

THE L. McBRINE COMPANY,
LIMITED,

By CURTIS B. MORSELL,
A. L. MORSELL, JR.,

633 Empire Building,
Milwaukee, Wisconsin,
TOWNSEND & HACKLEY,
ROY C. HACKLEY, JR.,
JACK E. HURSH,

Crocker Building,
San Francisco, California,
Attorneys and Counsel for
The L. McBrine Company,
Limited.

[Title of District Court and Cause—No. 21,271-R.]

ORDER

Good cause appearing therefor, it is hereby ordered that all original exhibits introduced at the trial of this cause be forwarded to the Circuit Court of Appeals for the Ninth Circuit.

Dated: October 25, 1940.

MICHAEL J. ROCHE,
United States District Judge.

[Endorsed]: Filed Oct. 25, 1940. [122]

[Title of District Court and Cause—No. 21,273-R.]

ORDER

Good cause appearing therefor, it is hereby ordered that all original exhibits introduced at the trial of this cause be forwarded to the Circuit Court of Appeals for the Ninth Circuit.

Dated: October 25, 1940.

MICHAEL J. ROCHE,
United States District Judge.

[Endorsed]: Filed Oct. 25, 1940. [123]

[Title of District Court and Causes.—Nos. 21,271-R and 21,273-R]

DESIGNATION OF CONTENTS OF RECORD
ON APPEAL

To the Clerk of the United States District Court
for the Southern Division in the Northern Dis-
trict of California:

You are hereby requested to certify as the com-
bined record on appeal in the above consolidated
cases to be filed [124] in the United States Circuit
Court of Appeals for the Ninth Circuit for use in
the consolidated appeal, pursuant to a stipulation
and order heretofore entered, the following ma-
terial:

1. Bill of Complaint (McBrine vs. Silver-
man et al).
2. Order Granting Leave to Plaintiff to Take
Depositions (McBrine vs. Silverman et
al).
3. Stipulation (McBrine vs. Silverman).
4. Motion and Notice of Motion for Bill of
Particulars (McBrine vs. Silverman et al).
5. Plaintiff's Bill of Particulars Nos. I to
IX inclusive (McBrine vs. Silverman et
al).
6. Plaintiff's Bill of Particulars Nos. Xa to
Xg (McBrine vs. Silverman et al).
7. Amended Answer (McBrine vs. Silverman
et al).
8. Bill of Complaint (McBrine vs. Koch et
al).

9. Order Granting Leave to Plaintiff to Take Depositions (McBrine vs. Koch et al).
10. Stipulation (McBrine vs. Koch et al).
11. Stipulation (McBrine vs. Koch et al).
12. Interrogatories (McBrine vs. Koch et al).
13. Defendants' Answers to Plaintiff's Interrogatories (McBrine vs. Koch et al).
14. Plaintiff's Bill of Particulars (McBrine vs. Koch et al).
15. Answer (McBrine vs. Koch et al).
16. Demand for Admission of Facts and of Genuineness of Documents (McBrine vs. Koch et al).
17. Admission of Documents (McBrine vs. Koch et al).
18. Stipulation (McBrine vs. Koch et al).
19. Plaintiff's Further Interrogatories (McBrine vs. Koch et al).
20. Defendants' Answers to Plaintiff's Interrogatories (McBrine vs. Koch et al). [125]
21. Defendants' Interrogatories (McBrine vs. Koch et al).
22. Plaintiff's Answers to Defendants' Interrogatories (McBrine vs. Koch et al).
23. Findings of Fact and Conclusions of Law (McBrine vs. Silverman et al).
24. Findings of Fact and Conclusions of Law (McBrine vs. Koch et al).
25. Final Decree (McBrine vs. Silverman et al).
26. Final Decree (McBrine vs. Koch et al).

27. Plaintiff's Exhibits.

- No. 1—Printed copy of Shoemaker patent in suit No. 1,878,989.
- No. 2—Certified copy of assignment from Shoemaker to The L. McBrine Company, Ltd.
- No. 3—Catalog of Hartmann Trunk Co. (Physical exhibit).
- No. 4—Patent marking tag used on Hartmann luggage (Physical exhibit).
- No. 5—Tan leather luggage case manufactured by Hartmann Trunk Co. (Physical exhibit).
- No. 6—Blue leather luggage case manufactured by Hartmann Trunk Co. (Physical exhibit).
- No. 7—Luggage case manufactured by defendant H. Koch & Sons (Physical exhibit).
- No. 7a—Photograph of H. Koch & Sons wardrobe case
- No. 7b—Another photograph of H. Koch & Sons wardrobe case
- No. 8—Luggage case manufactured by defendants Silvermans et al (Physical exhibit)
- No. 8a—Photograph of Silvermans et al wardrobe case
- No. 8b—Another photograph of Silvermans et al luggage case

- No. 9—Chart showing views of Shoemaker patent (Physical exhibit)
- No. 10—Certified copy of Articles of Incorporation of The L. McBrine Company, Ltd. (Physical exhibit)
- [126]
- No. 11—Chart showing enlargement of Fig. 7 of Shoemaker patent (Physical exhibit)
- No. 12—Certified copy of Consent Decree in *McBrine vs. Maund et al* (Physical exhibit)
- No. 13—Letters which defendants Koch have admitted as genuine
28. Defendants' Exhibits
- A. File wrapper of Shoemaker patent (Physical exhibit)
 - B. British patent to Schwarzenberger
 - C. British patent to Duverge
 - E. Certified copy of Austrian patent to Storch
 - E. Certified copy of Storch oath accompanying filing of United States patent application
 - F. Six printed patent copies in booklet designated F1 to F6
 - G. Eight printed patent copies in booklet designated G1 to G8
 - H. Nine printed patent copies in booklet designated H1 to H9
 - I. Levine patent. No. 2,091,931

- J. Pamphlet "How to Use Presto Portable Wardrobe" (Physical exhibit)
- K. Recently made model of early Koch case and fixtures (Physical exhibit)
- L. Recently made model of early Koch case and fixtures (Physical exhibit)
- M. Production list of Larkin Specialty Co.
- N. Ledger sheet of Larkin Specialty Co.
- O. Duplicate bill rendered Koch & Sons from Larkin Specialty Co.
- P. Photostatic copy of ledger sheet of June, 1938 sales
- Q1. Defendants' Interrogatories
- Q2. Answers to Defendants' Interrogatories
- R. Metal bracket cups of early Koch device (Physical exhibit) [127]
- S. Recently made Koch case with alleged early fixtures therein with bracket cups reversed (Physical exhibit)
- T. Luggage case of present Silvermans et al structure with Presto fixture (Physical exhibit)
- U. (For identification) Drawing re Wheary, Storch, Defendants', and Shoemaker's structures (Physical exhibit)
- V. Luggage case with lazy tong fixtures (Physical exhibit)

W. Another luggage case with lazy tong fixtures (Physical exhibit)

(Those exhibits above designated as "Physical" are not to be bound with the record but are to be transmitted as physical exhibits.)

29. Reporter's transcript of depositions of Emanuel J. Shoemaker and A. A. Ritter taken on behalf of plaintiff commencing in the middle of Page 5 of the transcript and omitting the following: Page 31, lines 5 through 18; from line 4 on Page 92 through line 18 on Page 94; the certificate on Pages 111 and 112
30. Transcript of evidence and proceedings before Judge Michael J. Roche on March 12, 13, 14 and 15, 1940, omitting from Page 2 to the beginning of the testimony of Irving C. Roemer on Page 17. Also omit the following: From line 10 on Page 85 through line 10 on Page 100, except retaining lines 14 through 29 on Page 91; from line 29, Page 137, through line 4 on Page 140; from line 16 through line 25 on Page 157; from line 14, Page 161, through line 14 on Page 163; from line 12 on Page 185 through line 24 on Page 186; from line 6, Page 215, through line 14 on Page 216.
31. Notices of Appeal
32. Statement of Points Relied Upon

33. Cost Bond on Appeal
34. This Designation of Contents of Record on Appeal
35. Clerk's Certificate

CURTIS B. MORSELL
TOWNSEND & HACKLEY
Attorneys and Counsel
for Plaintiff

[Endorsed]: Filed Oct. 25, 1940. [128]

District Court of the United States
Northern District of California

CERTIFICATE OF CLERK TO
TRANSCRIPT OF RECORD ON APPEAL

I, Walter B. Maling, Clerk of the United States District Court, for the Northern District of California, do hereby certify that the foregoing 129 pages, numbered from 1 to 129, inclusive, contain a full, true, and correct transcript of the records and proceedings in the case of *McBrine vs. Silverman, et al.*, and *McBrine vs. Koch*, No. 21271-R, 21273-R, as the same now remain of file and of record in my office.

I further certify that the cost of preparing and certifying the foregoing transcript of record on appeal is the sum of Nineteen and 85/100 Dollars

(\$19.85) and that the said amount has been paid to me by the Attorney for the appellant herein.

In Witness whereof, I have hereunto set my hand and affixed the seal of said District Court, this 15th day of November A. D. 1940.

[Seal]

WALTER B. MALING,
Clerk.

WM. J. CROSBY,
Deputy Clerk. [129]

In the United States District Court
For the Northern District of California
Southern Division

Civil Action No. 21271R

For Infringement of U. S. Letters Patent

No. 1,878,989

THE L. McBRINE COMPANY, LIMITED

Plaintiff,

vs.

SOL SILVERMAN and SAM SILVERMAN, co-
partners doing business under the name and
style of BALKAN TRUNK AND SUITCASE
CO.,

Defendants.

[130]

In the United States District Court
For the Northern District of California
Southern Division

Civil Action No. 21272S

For Infringement of U. S. Letters Patent
No. 1,878,989

THE L. McBRINE COMPANY, LIMITED,
Plaintiff,

vs.

HAROLD MAUND, doing business under the
name and style of VOGUE LUGGAGE CO.,
and CLIFFORD C. CASSIDY,
Defendants.

[131]

In the United States District Court
For the Northern District of California
Southern Division

Civil Action No. 21273R

For Infringement of U. S. Letters Patent
No. 1,878,989

THE L. McBRINE COMPANY, LIMITED,
Plaintiff,

vs.

HERMAN KOCH, doing business under the name
and style of H. KOCH & SONS, and HAR-
OLD M. KOCH, WILLIAM L. KOCH and
REBECCA KOCH,

Defendants.

[132]

TESTIMONY

Depositions de bene esse on behalf of the plaintiff in the above entitled causes, taken before Joseph M. Carney, a Notary Public in and for the County of Milwaukee, Milwaukee, Wisconsin, in lieu of Lawrence W. Nelson, beginning at 10:00 o'clock A. M., Tuesday, October 10, 1939, at the offices of Morsell, Lieber & Morsell, 633 Empire Building, Milwaukee, Wisconsin, pursuant to notices.

These depositions are taken de bene esse in accordance with the provisions of Section 863 of the Revised Statutes of the United States and Rule 26 of the Federal Rules of Civil Procedure.

The depositions are furthermore taken pursuant to order of the court granting leave to plaintiff to take the depositions prior to the filing of answers.

Pursuant to stipulations with counsel for the several defendants, the depositions are furthermore to be entitled for the three enumerated suits with one copy of the depositions to be filed for each of the suits.

It is furthermore stated that one set of exhibits will be marked for the three suits, the exhibits to be retained by counsel offering the same subject to inspection by opposing counsel, and to be delivered at the court prior to the hearings [133] of the several cases.

Present:

Curtis B. Morsell, Esq., of Morsell, Lieber & Morsell, representing The L. McBrine Company, Limited, Plaintiff;

Leverett C. Wheeler, Esq., of Wheeler, Wheeler, & Wheeler, Milwaukee, Wisconsin, representing the defendants Sol Silverman and Sam Silverman, co-partners doing business under the name and style of Balkan Trunk and Suitcase Co.

No appearance on behalf of the defendants Herman Koch, doing business under the name and style of H. Koch & Sons, and Harold M. Koch, William L. Koch, and Rebecca Koch, and the defendants Harold Maund, doing business under the name and style of Vogue Luggage Co., and Clifford C. Cassidy.

EMANUEL J. SHOEMAKER,

called as a witness on behalf of the plaintiff, being first duly sworn, was examined and testified as follows pursuant to questions propounded by C. B. Morsell:

Direct Examination

By Mr. Morsell:

Mr. Wheeler: I would like to enter a general statement. I am not appearing **generally**. I have not seen the pleadings and am here for the purpose of cross-examination only.

Mr. Morsell: [134]

Q. Please state your name, age, residence and occupation.

(Deposition of Emanuel J. Shoemaker.)

A. Emanuel J. Shoemaker; age 38; general manager of the L. McBrine Company, Limited, Kitchener, Ontario, Canada.

Q. Are you the Emanuel J. Shoemaker who is the patentee of United States Patent No. 1,878,989, dated September 20, 1932, on application filed December 24, 1928, which I now show to you, said patent being entitled "Hand Luggage"?

A. Yes, I am.

Q. Mr. Morsell: The patent identified by the witness is offered in evidence as Plaintiff's Exhibit 1, and the reporter is requested to so mark it.

(Said United States Patent No. 1,878,989, dated September 20, 1932, marked Plaintiff's Exhibit 1.)

Q. Was the application for this patent assigned to the L. McBrine Company, Limited of Kitchener, Canada? A. Yes.

Q. Is The L. McBrine Company the company you are connected with and of which you are the general manager? A. Yes.

Q. Can you produce a duly certified copy of the assignment of the invention covered by your patent in suit?

A. Yes. I have it here. [135]

Mr. Morsell: The assignment referred to by the witness, being transfer of the invention, patent to be issued thereon, from E. J. Shoemaker to The L. McBrine Company, Limited, is offered in evi-

(Deposition of Emanuel J. Shoemaker.)

dence as Plaintiff's Exhibit 2, and the reporter is requested to so mark it.

(Said assignment from E. J. Shoemaker to The L. McBrine Company, Limited, marked Plaintiff's Exhibit 2)

Q. Please examine the assignment and state who executed the same.

A. It was executed by myself.

Q. Do you recognize the signature thereon as your signature? A. Yes.

Q. Did you execute the assignment in the presence of two witnesses? A. I did.

Q. Do the witnesses' signatures appear on the document? A. They do.

Q. Please name them and state whether or not you recognize the signatures of the witnesses.

A. The names are Mildred Watson and Alice Schroeder, and I recognize them as being two clerks in the office of the attorney in which the signature was made.

Q. What attorney was that?

A. Harold C. Shipman of Ottawa, Ontario. [136]

Q. Did the witnesses sign the document in your presence? A. They did.

Q. Now, what is the date of execution of this assignment?

A. The 29th day of November, 1928.

Q. On what date was it recorded in the United States Patent Office? A. February 2, 1931.

(Deposition of Emanuel J. Shoemaker.)

Q. Please refer to the Shoemaker patent in suit, Plaintiff's Exhibit 1, and state what day the application for this patent was filed in the United States Patent Office.

A. It was filed December 24, 1928.

Q. What have you to say as to your work and developments which led up to the filing of the application for this patent?

A. I had developed the invention during November.

Q. State the year.

A. 1928. What was that question again?

Q. What have you to say as to your work and developments which led up to the filing of the application for this patent?

A. And I tried to develop a case that would carry clothing in a folded or hanging position in as small dimension as possible.

Q. Well, your development work, I presume, preceded to some extent, the preparation and filing of the patent application, is that correct? [137]

A. Yes. The development work was done during November of 1928, and models were made.

Q. Models were made at the plant of The L. McBrine Company? A. They were.

Q. And were they tested and tried out?

A. They were.

Q. And how did they prove to be?

A. They proved to be very practical.

(Deposition of Emanuel J. Shoemaker.)

Q. Did you do anything about preparing and filing a Canadian application on the same invention?

A. We did that immediately, in November, 1928.

Q. How did the date of execution of your Canadian application compare with the filing date of your United States application?

A. The execution of the Canadian application was in November, 1928, but the filing—did you say of the Canadian application?

Q. Yes.

A. (Continuing) Of the Canadian application was dated January 10.

Q. What year? A. 1929.

Q. Prior to your conception and development of the invention, which led to your patent in suit, what types of wardrobe hand luggage were you familiar with? [138]

A. I was familiar with only one type at the time, one developed and marketed by a man named Winship.

Q. Please describe the fixture in this early case and explain the objections, limitations, or inadequacies of the same, if any. Please first explain briefly the characteristics of the fixture in the Winship device.

A. The Winship device consisted of a bracket that was located in the cover of the case near its free end, had a bar over which dresses were draped, and from that bar they hung into the well in the body of the case.

(Deposition of Emanuel J. Shoemaker.)

Q. How far could the fixture or frame in this Winship device be swung?

A. It was swung only a short distance from within the cover to not more than two inches outside of it.

Q. Just enough, then, to provide sufficient clearance to hang the garments over the bar on the free end of the fixture? A. Yes.

Q. And did the garments then drape down from the fixture along the extent of the cover and into a well in the body of the case?

A. That is it.

Q. Now, did this type of case and fixture have any objections or limitations, in your opinion? [139]

A. Yes. I felt, in the first place, that in order to hang garments of any length, or I should say of considerable length, it required a large case, and I saw the desirability of producing something that was more compact.

Q. In developing your improved hand luggage, what advantages and objects, if any, did you have in mind for attainment?

A. First of all, I wanted to produce a case that was considerably smaller than that which was then on the market but with the same, or, if possible, with greater capacity. I wanted the garments to be contained entirely in the cover and to be hung on the hanger or rack in such a way that they were carried in proper relationship to the carrying position of the case.

(Deposition of Emanuel J. Shoemaker.)

Q. Please refer to your patent in suit, Plaintiff's Exhibit 1, and read into the record the first paragraph on page 1 of the specification, and explain how your invention permits the attainment of the object there stated.

A. Paragraph 1 reads: "This invention relates to hand luggage and more particularly to a means for packing garments so that they may be supported in up-right position relative to the common manner in which luggage of this nature is carried."

Q. Please explain how your invention permits the attainment of that object, and in so doing you may refer to any of the figures [140] of the drawings in your patent.

A. As shown in Fig. 4, the garment may be first folded on a removable hanger rod indicated as No. 30, which is located near the hinged side of the cover, then draped over the free end of a folding rack, shown as 23 in the illustration, and the skirt of the garment is then allowed to drape down, and when thus packed in the cover it is hung in proper position to the carrying of the case.

Q. When the case is closed and carried, would the position of the frame in the cover in Fig. 4 represent the relationship of the garments in carrying position? A. Yes.

Q. Please read into the record paragraph 5 of page 1 of the specification of your patent and explain how your structure permits the accomplishment of this object.

(Deposition of Emanuel J. Shoemaker.)

A. Paragraph 5 reads: "A further object is to provide hand luggage having therein a garment supporting member carried relative to the hinged side of the upper or cover portion of the luggage and a removable hanger rod carried adjacent the said hinged side in coacting relationship to said supporting member."

Q. How does your structure carry out this object, with particular reference to the removable hanger carried adjacent the [141] hinged side of the cover in coacting relationship with the supporting member?

A. The supporting member being hinged or pivoted at the base of the cover, has a folding edge 23 over which the garments are draped after having been first folded over the removable rod 30.

Q. Where is that rod 30 located?

A. Which is located near the hinged side or base portion of the cover.

Q. Is it also located near the hinged side of the supporting member 12?

A. Yes; and near the hinged side of the supporting member 12.

Q. Why is it desirable to have the individual hanger rod or rods, designated 30 in your patent, removable?

A. The folding of the garment is more readily accomplished as shown in Fig. 3 than if it were fixed, which would necessitate a threading through of the garment in the case itself. In other words,

(Deposition of Emanuel J. Shoemaker.)

by having the rod removable the dress can be laid out on a bed or table, the rod inserted, and the primary fold accomplished as shown in Fig. 3. The rod is then returned to its position at the base of the rack 12, while it is in horizontal position over the body of the case.

Q. At this stage in the packing, how does the garment extend, with [142] reference to the supporting member 12 and with reference to the body section of the case? In other words, is the garment spread out, extended over the——

A. (Interposing) The garment is extended over the body and draped forward in front of the case.

Q. At this stage is the garment completely folded? A. For packing?

Q. Yes. A. No.

Q. When is the complete and final fold accomplished?

A. When you return the folding rack 12 to its vertical position in the cover.

Q. That would then be a movement of the rack from a horizontal position over the body to a vertical position within the cover? A. Right.

Q. Now, does your patent provide any means for retaining the rack and the garments thereon in this latter position within the cover?

A. Yes; as shown in Fig. 2, it may be retained with bands, or other means of a similar nature.

Q. With the mode of packing you have described and with the retention of the frame in the cover

(Deposition of Emanuel J. Shoemaker.)

by the bands, is the [143] packed garment completely housed within the cover of the case?

A. It is.

Q. Is there any advantage in having the hanger rods mounted within the hinged end of the cover aside from the folding arrangement which it permits you to give to the garments?

A. Yes. It concentrates the mechanical parts of the hanging arrangement in one location.

Q. Does this, therefore, leave all of the rest of the cover clear and free for the accommodation of garments in conserved space?

A. It does.

Q. Compare the manner in which the garment fixtures in the luggage case of your patent take care of garments as opposed to the earlier arrangement you spoke of.

A. The earlier arrangement, having a bar near the free end of the cover only, draped the garments from the bar vertically down into the so-called body of the case which was needed in order to accommodate the full length. A dress of 52 inches in length, for instance, required in the old construction a case at least 18 inches wide and a body 8 inches deep; whereas my invention allowed the same length to be packed in a case only 15 inches wide and without the use of the body section.

Q. In using the word "wide" are you referring to the dimension from [144] the top edge of the cover to the bottom edge of the cover? In other

(Deposition of Emanuel J. Shoemaker.)

words, are you referring to the vertical extent of the cover when it is in open position?

A. To the vertical extent from the hinge to the top edge of the cover when it is in vertical position.

Q. Can the invention of your patent be used for men's garments such as suits, as well as ladies' dresses and coats?

A. Yes, it can; and a modification of the hanger to accommodate suits and coats is shown in Fig. 11.

Q. After the development of your invention, were any pieces of hand luggage made up incorporating the features of your invention, and if so, state when and approximately where?

A. Yes. We manufactured in our plant in Kitchener during November, 1928, several models of this invention.

Q. Were these models tried out and tested?

A. They were, and found satisfactory.

Q. Did you do anything with one of these cases made up in subsequent months? Did you ever use one on a trip?

A. Yes. One was used in February of 1929 on a trip from Kitchener to Cincinnati.

Q. Who used that case? A. I did. [145]

Q. You used the case in traveling from Kitchener, Canada to Cincinnati, Ohio? A. Yes.

Q. Did the case function satisfactorily on that trip? A. It did.

Q. And where did you go on that trip? Did you visit any concern in Cincinnati?

(Deposition of Emanuel J. Shoemaker.)

A. I went to the Mendel-Drucker Company of Cincinnati.

Q. What is the Mendel-Drucker Company?

A. Manufacturers of trunks and luggage.

Q. At the time of that trip did you show your new luggage case to officials of Mendel-Drucker?

A. I did.

Q. What was their attitude with respect to it?

A. They accepted it as a marked development in luggage construction and requested permission to manufacture it under a license in the United States.

Q. Did the L. McBrine Company then grant a license to Mendel-Drucker permitting Mendel-Drucker to manufacture and sell luggage under your patent in the United States? A. Yes.

Q. And has the Mendel-Drucker Company manufactured and sold luggage [146] in the United States under your patent? A. They have.

Q. Since about what date, can you state?

A. Since sometime in 1929.

Q. Are there any other United States concerns which are manufacturing and selling wardrobe hand luggage under licenses from The L. McBrine Company to them under your patent in suit?

A. Yes. There is the Wheary Trunk Company of Racine and the Hartmann Trunk Company of Racine.

Q. Do you know whether luggage cases which were made and sold in the United States under

(Deposition of Emanuel J. Shoemaker.)

your patent by these licensees have proven to be satisfactory and successful?

A. Yes, they have.

Q. Are they sold extensively throughout the United States?

A. They are sold practically everywhere in the United States because these concerns operate nationally and I have seen cases made by them in stores in various parts of the United States.

Q. Would you say that these three concerns which hold licenses under your patent are representative concerns in the industry in this country?

A. Yes, I certainly would.

Q. Are they among the leaders? [147]

A. They are.

Q. Did you solicit these companies for licenses, or did they approach you voluntarily?

A. In each case they approached us voluntarily.

Q. Is your invention being exploited in Canada by The L. McBrine Company? A. It is.

Q. Can you give us a statement as to what extent?

A. Well, since I invented it we have made at least 150,000.

Q. And they have been sold in Canada?

A. And they have been sold in Canada.

Q. Gone into usage?

A. Used quite extensively.

Q. Did you have a Canadian patent issued on your invention? A. Yes, I did.

(Deposition of Emanuel J. Shoemaker.)

Q. Has your United States patent been of monetary value to your company? A. Yes, it has.

Q. Do you receive money for the license or license rights?

A. We receive money, and other considerations in the form of exchange of ideas from each of them.

Q. Aside from the monetary standpoint, your patent has been of [148] value to your company in exchange of ideas and closer working relationship with these mentioned leading United States companies, is that correct? A. Yes, it has.

Q. Has it given you added prestige in the industry? A. It has.

Q. Aside from the concerns mentioned from the United States, have you been approached by other United States manufacturers relative to obtaining licenses under your patent in suit?

A. Yes, I have been approached by the Vogue Luggage Company of San Francisco, the Triangle Manufacturing Company of Oshkosh, and several others, of which my attorneys have the details.

Q. Do you know whether or not Balkan Trunk & Suitcase Company, Vogue Luggage Company, and H. Koch & Sons, all of San Francisco, California, were notified, prior to the filing of infringement suits, of their alleged infringements of your patent in suit?

A. Yes, I know that last spring my attorneys notified them by registered mail of the infringement, and subsequent correspondence with them has

(Deposition of Emanuel J. Shoemaker.)

been carried on with a view to explaining to them the manner in which we consider they are infringing, and generally to avoid suit.

Q. But in these particular instances the results of the correspon- [149] dence were unsatisfactory and suits had to be filed, is that correct?

A. That is correct.

Q. Is The L. McBrine Company, Limited, a corporation? A. It is.

Q. Under the laws of what government is it incorporated?

A. It is incorporated under the laws of the Province of Ontario in Canada.

Q. Where is the principal place of business of the L. McBrine Company, Limited?

A. In Kitchener, Ontario, Canada.

Q. Is your office and factory located there?

A. Yes.

Q. Is that the place of your residence?

A. Yes.

Mr. Morsell: That is all. You may take the witness, Mr. Wheeler. [150]

Cross Examination

By Mr. Wheeler:

Q. How long have you been with the plaintiff company? A. Over 21 years.

Q. During that time did the plaintiff make suitcases or parts of suitcases? A. Yes.

Q. All of that time? A. All of that time.

Q. Did you have occasion at any time to ex-

(Deposition of Emanuel J. Shoemaker.)

amine the suitcases and parts of suitcases made by others? A. Yes.

Q. You were familiar only with the one made by Winship?

A. Speaking of a so-called wardrobe suitcase, yes.

Q. That was the only one that you were familiar with? A. Yes.

Q. Was The McBrine Company making wardrobe suitcases during this period that you were with them?

A. Well, it was a fairly new development during about 1927; before that most suitcases were made without any hanging facilities except those that might be construed as so-called wardrobe trunks which had been on the market. [151]

Q. And it was common, was it not, during that period, to use racks around which garments could be folded preparatory to putting them into suitcases or boxes, any kind of packaging?

A. It may have been, but nothing that was supplied as standard equipment in a case.

Q. Not as equipment for the case but simply as a loose folder around which the garment could be wrapped? A. In certain forms possibly.

Q. Yes. And it was common, was it not, to use a clothes support with a cross rod or roller at one end? A. I wouldn't say that it was.

Q. You are not familiar with anything of that kind? A. No.

(Deposition of Emanuel J. Shoemaker.)

Q. What kind of wrapping forms were you familiar with?

A. Only those used in wardrobe trunks as hangers.

Q. Were those wrapping forms, or——

A. (Interposing) Well, if they can be considered wrapping forms. They were purely a hanger as might be used in an ordinary clothes closet.

Q. Were you not familiar with wrapping forms that were used for packaging garments shipped from a department store to its customer? [152]

A. No.

Q. Were you responsible for an order sent in June, 1928, to the Milwaukee Stamping Company for one of their fixtures intended to be pivoted in a suitcase? A. Yes.

Q. You remember that fixture? A. Yes.

Q. And that was a generally U-shaped frame that was intended to be pivoted to the cover of a suitcase near the hinge? A. No.

Q. What was it? Describe it.

A. That was simply a fixture that was ordered from another that they had offered for sale, made to dimensions that I specified, and which I intended to use in another way entirely than fastening in the lid. I later discarded it because it was not practical.

Q. Did you order it made by them or did you order it from their stock?

A. I ordered it made by them.

Q. What was the structure of it?

(Deposition of Emanuel J. Shoemaker.)

A. It was substantially U-shaped, pivoted at the extreme ends of the "U". [153]

Q. Pivoted to what?

A. To another plate, to two other plates, which could then be fastened into a box or case of some kind.

Q. Fastened in what way?

A. By what means, do you mean?

Q. Fastened in what way in the box or suitcase?

A. I don't know just what you mean.

Q. You say this clothes frame was pivoted to a plate that was fastened in the suitcase?

A. Yes.

Q. How was it fastened in the suitcase? How was the plate fastened in the suitcase?

A. It was riveted in.

Q. The plate was riveted in? A. Yes.

Q. Where in the case?

A. In the body of the case.

Q. As distinguished from the cover?

A. Yes.

Q. And you didn't fasten this frame in the cover? A. Positively not.

Q. Not at all? [154]

A. Positively not.

Q. Do you testify that you didn't know that the Milwaukee Stamping Company were making frames of that kind for attachment in the cover of the suitcase in June, 1928?

A. What they showed me was a fixture very

(Deposition of Emanuel J. Shoemaker.)

similar to that being used by Winship, which was not adaptable to my style of case.

Q. Was it a U-shaped frame?

A. It was a U-shaped frame.

Q. And was it resilient, made of spring metal?

A. No, I wouldn't say it was spring metal. It was possibly a half-inch band iron—I don't know if you could call it that or not.

Q. It was not a round rod, round in cross-section? A. No.

Q. Did they show you a frame that was made of a round rod with extremities out-turned so that they could be pivoted in the sidewalls of a suitcase cover? A. No.

Q. The frame that you ordered from them was made that way, was it not?

A. No. With a round rod? Q. Yes. [155]

A. No, positively.

Q. In June, 1928, you didn't order any frame made from a round rod? A. No.

Q. Or any frame having the ends out-turned to serve as pivotal connections?

A. Made of a round rod or having the ends—

Q. (Interposing) —having a round rod and having the extremities out-turned so that they could be used as pivot studs? A. No.

Q. I will call your attention to Fig. 10 of your patent. Have you made suitcases with garment supports and supporting means unattached to the cover as illustrated in Fig. 10?

(Deposition of Emanuel J. Shoemaker.)

A. We made some, but did not adopt them as regular production. We had some made.

Q. Do you claim a structure of that kind is part of your invention? A. Yes.

Q. What claim of your patent calls for that structure?

Mr. Morsell: I want to enter an objection there. The witness has not been qualified as an expert in patent matters and particularly in patent and claim interpretation, and should not be called upon to attempt to construe the technical claims [156] of his patent.

Mr. Wheeler: I think that question is not technical.

A. Well, I considered that construction was covered, from the interpretation given me by the attorney who filed the application.

Q. In Fig. 10 the garment supporting member is supported on the hinged side of the cover, is it not? A. Yes.

Q. But it is not hinged to the cover in any way?

A. I can't tell that from the drawing.

Q. I will call your attention to the description of Fig. 10 on page 2, lines 77, et cetera, of your patent. A. Yes.

Q. And would you say that in Fig. 10 the intention is to show a hinged member or one that is not hinged? A. One that is not hinged.

Q. Now, refer to Fig. 7 of your drawings. I will ask you where the connection is between the

(Deposition of Emanuel J. Shoemaker.)

member 12 and the cover of the suitcase in that view. A. To the free end of the cover.

Q. At point 22? A. At point 22. [157]

Q. And is the member 23, or the edge 23 of the member 12 on the free end of the body, or is it a substantial distance from the free end of the body?

A. It is some distance from the free end of the body.

Q. There is a compartment between the support 9 and the free end of the body, is there not?

A. Yes.

Q. Now, in Fig. 10 is there any difference between the clothes support illustrated in that view and any other support upon which clothing may be wrapped so far as the functioning of the device is concerned?

A. From my experience, I would say yes, in view of the fact that the rod 30 that carries the primary fold is removable.

Q. The rod 30 is in place when the device is functioning, is it not?

A. When it is in packed position, yes.

Q. Now, does it make any difference whether that garment support is placed in a suitcase or in any other box?

A. I would say it depends upon how the other box is carried.

Q. The difference, then, is the way in which the box is carried and not in the structure itself?

A. Well, that could be one difference. [158]

(Deposition of Emanuel J. Shoemaker.)

Q. Well, is there any other difference?

A. I guess my limited technical knowledge prevents me from seeing any possible differences.

Q. So far as you can see there is no difference in structure or in function between the member 12 applied in a suitcase, and the member 12 when applied in any other box? A. No.

Q. And that would be true also of the member 12 combined with the rod 30, would it not?

A. It probably would.

Q. Now, if the user so desired, he could fold the garment starting with the free edge 23 and ending with draping it over the rod 30 and the adjacent end of the member 12, could he not?

A. Yes.

Q. Now, I will call your attention to Fig. 3 of your patent. Do you regard this figure as showing your invention?

A. It indicates one of the operations in packing.

Q. It simply illustrates how a garment may be folded around any kind of a clothes supporting member, does it not? A. Yes.

Q. When your application was pending in the Patent Office, it was placed in interference, was it not? [159] A. Yes.

Q. And you inserted three claims as claims 13, 14 and 15, at the suggestion of the Official Examiner, isn't that correct? I have the file history here.

A. I haven't the details. Without going into them all I wouldn't be prepared to answer.

(Deposition of Emanuel J. Shoemaker.)

Q. Well, you did put in certain claims into your application as a result of the Examiner's suggestion, and for the purpose of [160] interference did you not?

A. I can't recall that. That is, I can't recall the details as to whether there were any inserted, cancelled, or just what change was made.

Q. You know that there was an interference, do you not? A. Yes.

Q. And certain claims that were involved in that interference were cancelled from your application, were they not?

A. I know something was done as a result of the interference, but I can't tell you what.

Q. You know that you lost the interference, that it was decided against you? Do you know that?

A. No.

Q. You do not know that?

A. I say "no."

Q. You don't know that judgment of priority was rendered against you in that interference?

A. I don't know that.

Q. Were you consulted by your attorney in connection with that interference? A. Yes.

Q. Did your attorney inform you as to the final decision? [161]

A. The interference action resulted in an exchange of licenses with the Wheary Trunk Company.

(Deposition of Emanuel J. Shoemaker.)

Q. That was a result of the interference, was it?

A. Yes.

Q. Was that exchange made at that time?

A. Yes.

Q. Wheary licensed you to make what was described in the interference counts, did they?

A. I don't understand that question.

Q. The Wheary Trunk Company gave you a license, or gave The McBrine Company, the plaintiff here, a license, did they not?

A. Did Wheary Company give McBrine Company a license?

Q. Yes. A. Yes.

Q. A license under what patent?

A. I haven't the details with me.

Q. Count 13 of the interference issue reads as follows: "13. In a case type luggage carrier including a main section member and a cover member, hingedly connected to one marginal edge thereof, a garment carrying frame, means hingedly mounted the garment carrying frame for movement independently of the cover member to lie over the main section member and for movement [162] substantially parallel with that of the cover member and means whereby the point of pivot of the garment carrying frame is disposed within the cover member when the garment carrying frame and the cover member are closed over the main section." Do you understand from that description that the garment carrying frame was pivoted to the cover

(Deposition of Emanuel J. Shoemaker.)

member in such a way that the pivotal connection was within the cover member when the suitcase was closed? A. May I read that?

(Handed to witness)

Mr. Morsell: Objection. It is thought that the claim would speak for itself, and the witness' statement now, many years after the framing of the claim and the prosecution of the interference, is not of any value as to what is or is not meant by the phraseology of the claim.

Mr. Wheeler: The question relates to the understanding of the witness as to one feature specified in the claim. If you will now read the question, Mr. Reporter.

(Question read by reporter.)

A. Yes.

Q. And you understand that that connection was made near the cover hinge, do you not? [163]

A. Adjacent it.

Q. That is your answer, "Adjacent it"?

A. That is my understanding of the matter now.

Q. Yes. When you cancelled that claim from your application, you conceded that you were not the inventor of that particular claim, did you not?

A. At this stage I am not prepared to say that because this happened some years ago and the action was necessarily taken by my counsel.

Q. And you don't remember whether at that time you understood that you were conceding that

(Deposition of Emanuel J. Shoemaker.)

you were not the inventor of the subject-matter of that claim? A. No.

Q. You have no recollection of that?

A. Not a clear recollection.

Q. Do you have any recollection that you made a concession when you cancelled that claim?

A. My recollection is that each of us, Wheary and ourselves, made an adjustment or a concession to facilitate the granting of our respective patents.

Q. There were other parties to that interference, were there not?

A. There were at first. It finally dwindled down to Wheary and [164] myself. I don't recall the other details.

Q. You do not remember whether Joseph Berg and Edwin R. Manning had an application that was in that interference?

A. I wouldn't say that definitely without referring to the file.

Q. Do you remember that George P. Echert's application was in the interference?

A. I don't remember that.

Q. Did you negotiate with them for mutual concessions on the question of priority?

A. I am quite sure we didn't.

Q. You have no clear recollection on that, or do you testify that you did not?

A. My impression is that we did not.

Q. You testified on direct examination that when your suitcase cover is closed with the bands 26 ap-

(Deposition of Emanuel J. Shoemaker.)

plied in retaining position, that the garment would be completely housed in the cover. Doesn't that depend upon the length of the garment?

A. It might, although various sizes of cases are made to carry longer or shorter garments.

Q. That is, for a long garment the case would have to be larger in order to have the garment completely housed? A. Yes. [165]

Q. Now, in the Winship structure about which you testified, that is also true, is it not?

A. Yes, except that I explained that for a garment of a given length my invention houses it completely in the cover of a smaller case than would be possible in the Winship case.

Q. Then the advantage that you were intending to point out was that with the clothes support as designed by you, you could fold the garment a little more compactly than Winship could?

A. Yes.

Q. But if the garment were short, that is, short enough to be completely housed in the Winship structure, then there would be no difference in function between his device and yours, would there?

A. The method of packing would still be different.

Q. In what way?

A. In that Winship's would have to be inserted in the top or free end of the cover whereas mine can be fastened into the side adjacent the hinged end.

(Deposition of Emanuel J. Shoemaker.)

Q. In both cases the garment is folded over a removable rod, is it not? A. Yes.

Q. And after you have it folded you can put it into the cover or [166] any other box at either end or anywhere, can you not? A. In both cases?

Q. In both cases.

A. Speaking only of the rod?

Q. Yes.

A. Yes. The rod itself could be put anywhere.

Q. And it is merely a matter of choice where the rod is to be attached to the cover, is not that correct?

A. Choice and practicability.

Q. Well, it would be practicable, wouldn't it, to secure the rod in the Winship structure at any desired distance from the hinged end of the cover?

A. No, I don't think that that would produce the packing facility that my invention does.

Q. It would if the garment were short, would it not?

A. It might, but I still can't see it as a practical application.

Q. Well, what is the difference?

A. Well, the invention is for the purpose of carrying garments of any length and description, as is commonly done by people carrying luggage.

Q. You mean by that that Winship's structure as illustrated isn't as well adapted to carry a long garment? [167]

(Deposition of Emanuel J. Shoemaker.)

A. It is if the case is large enough; and one of the objects of my invention was to reduce the size of the case still retaining the hanging capacity.

Q. And that reduction was accomplished by providing for folding the garment very compactly, is that the idea? A. Yes.

Q. So that if the prior art disclosed any garment supporting device that would allow the garment to be folded as compactly as in your structure, that would completely meet the requirement, would it not?

Mr. Morsell: The question is objected to as calling for an opinion of the witness in regard to hypothetical construction of prior art.

Mr. Wheeler: The question is one of fact as to the meaning of the witness in the testimony which he has given.

A. I can't testify as to prior art. I can only interpret the invention as revealed by the patent in its claims.

Q. The question is as to whether, if you had a garment supporting member on which clothing could be packed as compactly as in your structure, would it serve the purpose just as well regardless of whether it was prior art or not?

A. It still depends upon the method by which that compact packing [168] is accomplished.

Q. Suppose it was accomplished in practically the same way, by draping the clothing over one end

(Deposition of Emanuel J. Shoemaker.)

of the support and then folding it over the other end? A. Wrapping it, you mean?

Q. Wrapping it or folding it just exactly as you fold it, so far as the folding operation is concerned.

A. Naturally if it were an exact duplicate of mine, the same result would be accomplished.

Q. No, I am not asking you whether in case it is an exact duplicate that the same result will be accomplished. I am asking you whether if you had a holder which would allow the same compact wrapping even though it was not an exact duplicate of yours, would that not be a full equivalent for the holder which you show?

A. I don't think I can answer that because I haven't seen a construction that would accomplish the same thing.

Q. Any frame of the same dimensions as the frame which you use and having bars at each end running transversely would allow clothes to be folded just as compactly as your frame allows them to be folded, is not that correct?

A. Yes, I suppose it would. [169]

Q. The frame does not have to be H-shaped, does it? A. No.

Q. And the question as to its length and width is wholly dependent upon the character of the garments intended to be folded on it? A. Yes.

Q. And the question as to where it is to be connected with a suitcase cover is purely a matter of

(Deposition of Emanuel J. Shoemaker.)

choice on the part of the person making the device, is not that true?

A. Repeat the question, please.

(Question read by reporter.)

A. Yes.

Q. So as I understand it, Winship chose to connect his clothes support intermediate to the ends of the cover and you chose to make connection near the hinged end of the cover, or at the hinged end of the cover?

A. You understand that we did choose that as against his choice?

Q. Yes.

A. Yes, but with a different construction of fixture.

Q. Did it make any difference whether the fixture, as you call it, is pivoted or is to be pivoted to the hinged wall of the cover or to the sidewalls?

A. For purposes of construction we favored the hinged side as being [170] more practical.

Q. Why was it more practical?

A. Because it was more adaptable to different constructions of luggage cases.

Q. Clothing less likely to catch?

A. No. The construction I refer to was the matter of the box, the foundation of the case itself, and how it was adapted to have a fixture fastened to it.

Q. Explain that a little further, as to just why you chose the hinged side of the cover?

(Deposition of Emanuel J. Shoemaker.)

A. Well, the base could be made of a material like wood and the rest might be soft leather.

Q. You mean the base of the cover?

A. I mean—yes, the hinged side of the cover.

Q. You refer to the hinged side of the cover as the base? A. Yes.

Q. And that was quite common, was it, to have the hinged side of wood and the other sides of leather? A. It is even today.

Q. And for that reason you preferred to connect it to the hinged side of the cover, that is, the wooden part, rather than the other walls? [171]

A. That was one consideration.

Q. Were there other considerations?

A. Well, we tried to make the adaptation of this I mention as practical as possible in order to allow it to be used in cases of various constructions.

Q. In the structure shown by Wheary, that was involved in the interference, the pivotal connection of the clothes supporting member was not made with the cover at all, was it?

A. No, I don't think it was.

Q. It was secured to the base, that is, brackets were secured to the base and arched over the hinged axis so as to be within the cover when the suitcase was folded? A. Yes, I believe it was.

Q. And you preferred to apply your hinged members directly to the hinged wall of the cover?

A. That was our preference.

(Deposition of Emanuel J. Shoemaker.)

Q. Do you think that was a decided advantage over the other methods of connection?

A. Yes.

Mr. Wheeler: Now, I have a few more questions but on a somewhat different line. Shall we adjourn until sometime this afternoon? [172]

Mr. Morsell: Yes.

(Whereupon an adjournment was taken at 12:05 P.M., until 1:15 o'clock P.M. of the same day) [173]

Milwaukee, Wisconsin,
Tuesday, October 10, 1939,
1:15 o'clock P. M.

The taking of depositions was resumed pursuant to adjournment last above noted.

All parties present.

E. J. SHOEMAKER,

resumed the stand, having been previously duly sworn, was examined and testified further as follows:

Cross Examination
(Cont'd)

By Mr. Wheeler:

Q. This morning you testified that the patent in suit had been of monetary value in the United States. Just what did you mean by that?

A. Well, for one thing, we receive license fees.

Q. How much?

(Deposition of Emanuel J. Shoemaker.)

A. Well, there are several arrangements. In the case of—

Q. State approximately what the total license fees thus far paid have been. A. Per year?

Q. Per year.

A. It is rather hard to give the total because I haven't the figures of at least two of them; but in one case it has been about a [174] thousand dollars a year.

Q. Have you granted licenses in Canada?

A. We have, although one case that I have in mind has run out; that firm is manufacturing something else now.

Q. You testified this morning that 150,000 of these suitcases have been sold in Canada. Does that refer to the complete suitcase or to the attachment?

A. Oh, to the complete suitcase.

Q. And does the plaintiff manufacture the complete suitcases or the attachments?

A. The complete suitcases.

Q. And plaintiff has extensively advertised those suitcases, has it? A. It has.

Q. During the whole period since the patent was granted? A. Yes.

Q. You testified that Vogue Luggage Company and Triangle Luggage Company had applied for licenses. Have licenses been granted?

A. Not as yet.

Q. Are negotiations still pending?

A. Yes.

(Deposition of Emanuel J. Shoemaker.)

Q. What were the circumstances under which they applied for [175] licenses?

A. The result of the notices being sent out last spring.

Q. That is, they were under threat of suit?

A. Yes.

Q. Were they manufacturers of suitcases or fixtures, the metal parts?

A. In the one case they were manufacturers of suitcases, and in the other, of fixtures.

Q. Which is the manufacturer—

A. The latter. You had two names there.

Q. Vogue.

A. And Triangle. Vogue is suitcases, and Triangle is fixtures.

Q. Are they large concerns?

A. I think they are fairly large. I haven't details on them.

Q. What were your reasons for starting the first suits out on the Pacific Coast?

A. Well, that was pretty well in the hands of the attorneys. I suppose it was a case of starting at one end of the country and going through.

Q. Was it because the Balkan Company and the other defendants out there were small concerns unable to contest this litigation?

A. I don't think so. [176]

Q. Well, what is the fact about it? A. No.

Q. Are they large concerns?

(Deposition of Emanuel J. Shoemaker.)

A. I haven't their statement, either. I don't know in what category they would come, whether one would call them large or small.

Q. Do you know whether they are able to contest patent litigation financially?

A. I don't know that.

Q. Doesn't it seem a little strange that you should engage Milwaukee attorneys to conduct your litigation at such a distance?

A. I didn't consider it strange in view of the fact that it ultimately pertains to the whole of the United States.

Q. Do you know whether any of those concerns on the Pacific Coast manufacture the metal parts of their suitcases? A. I don't know.

Mr. Wheeler: I think that is all, Mr. Morsell.

Redirect Examination

By Mr. Morsell:

Q. In your cross-examination you said that prior to the development of your invention the only fixture equipped piece of hand luggage you were familiar with was the Winship case. Do you [177] wish to amplify this statement in any particular?

A. Well, the only fixture equipped case that I recall having known at the time was the Winship case. I also testified, I think, that there was a similar fixture on the market, particularly the one that had been shown us by the Milwaukee Stamping

(Deposition of Emanuel J. Shoemaker.)

Company, that was intended to be applied in the same way as Winship's fixture in a case.

Q. Was it not true that the term "Winship" was used rather loosely to refer to fixtures of that swing, U-frame type at the time, regardless of who the manufacturer of the fixture was?

A. Yes, I would say so.

Q. In your early dealings with Milwaukee Stamping Company, I presume they had a fixture which corresponded more or less to the characteristics of the Winship fixture, is that correct?

A. In a certain sense. My recollection is that Winship had a removable bar in his fixture, whereas what I recall having been shown me by the representative of Milwaukee Stamping did not have a removable bar, it was a continuous, flat, iron band.

Q. That removable bar in the Winship fixture, where was that located with reference to the fixture?

A. Well, it was at the extreme end of the U-shaped fixture. [178]

Q. Which end?

A. At the outer end, the part that swung out of the case, but the whole thing was applied near the free end of the case of the cover of the case.

Q. And that bar of the Winship fixture would always be positioned adjacent the free or outer end of the cover of the case? A. Yes.

Q. Now, referring to the frame you ordered from the Milwaukee Stamping Company. Did it

(Deposition of Emanuel J. Shoemaker.)

have associated with it a removable bar or hanger of any kind whatsoever? A. Not at all.

Q. In your negotiations with the Milwaukee Stamping Company for a fixture of this type, was there ever any suggestion made that a removable bar might be used with the inner end of the fixture?

A. No, and I didn't talk to them about the use I thought of making of the fixture that they made for me.

Q. You merely requested a standard U-frame fixture?

A. Yes; of the dimensions that I specified and said nothing as to where it was going to be used.

Q. On cross-examination your attention was directed to Fig. 10 of the drawings of your patent, and was further directed to a state- [179] ment in the specification indicating that the garment holding members 12 were not actually pivotally attached within the inner end of the cover. You were further asked to state whether or not there was any claim in your patent which would cover such a structure. I now ask you to refer to Claim 10 of your patent and state what the facts may be in regard thereto.

A. From reading that claim, I would say that it has a direct reference to the disclosure in Fig. 10.

Q. Does that claim require that the garment supporting member be pivotally attached to the hinged side of the cover? A. No.

(Deposition of Emanuel J. Shoemaker.)

Q. Now, refer to Fig. 7 of the drawings accompanying your patent, this illustration being of a modification of your invention and showing the fixture in unfolded position. When the fixture is loaded with garments and is folded into the cover of the case, where is the connection between the portion 16 and the arms 21 with relation to the cover?

A. The portion 16 is allowed by the arms 21 to drop to the position adjacent the hinged side of the cover.

Q. So in packed condition the portion 16 of the member 12 will then be within the inner end of the cover adjacent the hinged connection of the cover, is that correct? [180]

A. Correct.

Q. And is that likewise true of the garment bar 30?

A. Yes.

Q. How about the other end of the member 12? Where will this be?

A. That is edge 23?

Q. Yes.

A. Will be in the part adjacent the free end of the cover.

Q. And that will be the end of the unit on which the garments are secondarily draped, is that correct?

A. Correct.

Q. Now, refer to Fig. 10 of the drawings of your patent. Notwithstanding the fact that this illustrates a modification of the invention, wherein the fixture 12 is not actually pivotally connected within the cover, what have you to say as to the

(Deposition of Emanuel J. Shoemaker.)

location of the hanger end 30 of the fixture when the case is loaded?

A. It is still in the same position as is disclosed in any of the other figures or drawings, and it definitely carries the primary fold of the garment.

Q. Is it adjacent the hinged end of the cover?

A. Yes.

Q. And is the fixture entirely lodged and retained within the [181] cover of the case?

A. Yes.

Q. Is the rod 30 removably carried by the fixture 12? A. Yes.

Q. Now, assuming that there might be a hypothetical structure such as was alluded to by Mr. Wheeler in his cross-examination, wherein garments might be folded around some sort of a frame and the frame with garments wrapped thereabout, positioned into a box or case, would there be any limitations as to where that fixture could be placed in the case in this hypothetical structure?

A. No. I imagine that it could be placed anywhere in the case and therefore would have no connection with the piece of luggage such as we have designed in which the fixture—in which the garments are definitely housed in the cover leaving the body portion of the case free to be packed with other things without interference from the garments.

Q. Assuming a fixture of this hypothetical character was used in a pasteboard suit-box, such as

(Deposition of Emanuel J. Shoemaker.)

clothing stores or tailors use, where would that be placed in the box?

A. Well, my knowledge of boxes would indicate—of such suit-boxes, at least, would indicate that the fixture would be in the body. [182]

Q. And when so positioned, would that permit you to get access to the remainder of the body for packing miscellaneous articles of wearing apparel or traveling paraphernalia?

A. I should say not.

Q. Now, assuming that you had a box of that character with a loose garment frame in there and picked up the box, how would be the natural way in which you would carry that box?

A. Well, you would carry it under the arm.

Q. And would the box then be in its normal horizontal or flat condition, or would it have one longitudinal edge down?

A. Well, in the manner in which suit-boxes are ordinarily packed, I would say that the folding edge would then be on the short side of the case and that in picking up a suit-box held with the long edges parallel to the ground, your clothing would shift to the bottom of the case.

Q. You couldn't then carry this box in the normal manner without the danger of garments shifting on the packing device, is that correct?

A. Yes.

Q. And the result would be that when you

(Deposition of Emanuel J. Shoemaker.)

reached your destination and opened the box, your garments would be disheveled and mussed? [183]

A. Yes, and that is exactly what we try to avoid in the development of our piece of luggage. The piece of luggage, of course, has a handle to carry it by—ordinarily the suit-box hasn't. And there is no assurance that the box itself will be picked up or carried in proper relation to the contents.

Q. Now, have you ever seen or heard of, now or at any time, a device on which garments might be wrapped for packing in a box or case, which device had a removable hanger bar at the inner end of it? A. No.

Q. In your invention do you consider it of any importance that there is a certain relationship between the garment supporting member, the removable hanger, and the particular position in which both of these members are mounted in the cover of the case? A. Yes.

Q. Why is that of importance?

A. Well, the point has previously been made that the clothing is designed to be carried in a hanging or draped position when the case is being transported in the proper manner, such as being carried by the handle.

Q. Would it be true that this combination of parts gives you accessibility to the garments, ease in packing and unpacking? [184]

A. Oh, yes.

(Deposition of Emanuel J. Shoemaker.)

Q. Would you say that it gives you accessibility to the main body portion of the case at all times?

A. Yes, in packed position. We are talking now of the case being in packed position.

Q. In packing your case, a garment is first folded over a bar hanger and the hanger is mounted in the inner end of the cover and the garment then extends out over the body of the case, straight over the outer end of the frame, is that correct?

A. Or near the outer end of the frame, yes.

Q. Now, in what manner is the secondary fold in the garment accomplished

A. By bringing the folding edge 23 to the top edge or free end of the cover, in other words, from its horizontal to a vertical position.

Q. That is a natural and easy movement of the frame? A. Yes, it is.

Q. In other words, the transposition of the frame on its pivotal mounting from a horizontal position to the position in the cover, is that correct?

A. Yes.

Q. And that simple movement of the frame automatically gives you [185] the secondary fold in the garments? A. Yes.

Q. And also serves to position the garments within the cover? A. Yes.

Q. In the Interference involving your application for patent, and that of Wheary's, referred to in cross-examination, certain claims were suggested which were at one time added to your application.

(Deposition of Emanuel J. Shoemaker.)

Claim 13 has been referred to heretofore, and among other things, this claim says: "Means whereby the point of pivot of the garment carrying frame is disposed within the cover member when the garment carrying frame and the cover member are closed over the main section." Bearing that phrase in mind and attempting to recall the Wheary construction, please, state, if you can, just what construction Wheary had which permitted the application of the quoted phraseology of the claim.

A. Well, my recollection of that is that he had in mind a construction that was entirely disposed in the body of the case, whereas I had mine placed in the cover. That drawing you referred to this morning of Mr. Wheary's patent showed an extension of his brackets into it high enough out of the body so that they would be enclosed in the cover when the case was closed, [186] and his claim might be construed as interfering with mine at that time so that there was a difference made.

Q. As a matter of fact, Wheary's construction was one wherein the frame was pivotally secured to brackets and the brackets were mounted in the inner rim of the body of the case, but those brackets were offset in such a manner that when the case was closed the pivotal connections for the frame would then be within the inner end of the cover, is that correct?

A. Right.

Q. But the frame was actually mounted in the body of the case, is that correct? A. Yes.

(Deposition of Emanuel J. Shoemaker.)

Q. Now, as opposed to that arrangement, your frame was actually mounted in the cover of the case, is that correct? A. Yes.

Q. And was it your belief and understanding that that was the essential difference between the two structures involved in the Interference?

A. That is as I recall it.

Q. On cross-examination you were requested to compare the action of your frame with that of the Winship arrangement if you were only concerned with short garments. Regardless of the [187] length of the garments considered, is it a fact or is it not a fact that your structure will accommodate a garment within a smaller space than the Winship arrangement? A. Yes, it is.

Q. Now, in the Winship arrangement what was done if two or three dresses were to be carried?

A. All the dresses carried were draped over the one hanger rod.

Q. Would this make for inconvenience in removing certain of the garments?

A. Yes. All garments had to be removed from the case and from the rod in order to make a selection of the one desired.

Q. In your arrangement, how do you take care of a plural number of garments?

A. We provide for more than one hanger or hanger rod, each of which can carry a garment.

Q. Do you find support for that statement in the

(Deposition of Emanuel J. Shoemaker.)

specification of your patent? I refer you to lines 36 to 39 of page 3 of your specification.

A. Yes. The specification reads: "The stud 37 may be of such proportion as to accommodate and support a plurality of hanger rods 36."

Q. Now, in a structure utilizing a plurality of hanger rods or [188] bars, would it be possible to remove from the supporting means an inner hanger or bar without unduly disturbing the bars or hangers there above? A. Yes.

Q. And without unduly disturbing the garments?

A. Yes.

Q. In the Winship arrangement the bar on which garments are draped is at the outer or free end of the frame, is that true?

A. Frame or—

Q. (Interposing) Fixture? A. Yes.

Q. Have you ever seen it at any other part of the fixture? A. The Winship type of case?

Q. Yes. A. No.

Q. The idea in the Winship arrangement is to drape garments over a bar which is supported at the outer end of the fixture, is that correct?

A. Right.

Mr. Morsell: I think that is all.

Recross Examination

By Mr. Wheeler: [189]

Q. A few minutes ago you said that in Fig. 7 the portion 16 of the member 12 was in the vicinity

(Deposition of Emanuel J. Shoemaker.)

of the hinge when the fixture is folded into the cover. A. Yes.

Q. From what point or points was it supported?

A. From the free end of the cover; is that what you mean?

Q. Yes. That is, it was suspended from the free end of the cover by the pivotal connections 22?

A. Yes, sir.

Q. And testifying as to the garment supports used in shipping boxes or in delivery boxes, you stated that such a frame as that could be carried anywhere in a suitcase. Is not that true of your fixture as shown in Fig. 10?

A. I described my fixture as being housed in the cover and held in with bands or something similar.

Q. But that same fixture could be put anywhere in the suitcase, could it not?

A. By itself it could.

Q. Just as readily as the fixture used in connection with a delivery box?

A. Yes, but that would not give the same facility for packing that was designed in this piece of luggage. [190]

Q. Now, suppose that the user who had a suitcase containing fixtures as shown in Fig. 10, should place the fixture in an inverted position within the cover. Would you say that such a structure is still within the scope of your invention?

(Deposition of Emanuel J. Shoemaker.)

A. It would not be carrying out the purpose of the invention.

Q. No, but it would be the same thing inverted; and suppose that a suitcase were being used in that manner, would you say that that was an infringement?

Mr. Morsell: The question is objected to on the ground of calling for a conclusion of law.

A. I couldn't say.

Mr. Wheeler: No more of a conclusion than the witness has already testified to.

Q. Your answer is "I couldn't say"?

A. I couldn't say.

Q. Would you regard it as carrying out the spirit and purpose that you had in mind when you made your invention? A. No.

Q. Would you regard it as in any way equivalent for what you describe and claim in your patent?

A. I don't know that I could put any interpretation on that myself.

Q. Now, in testifying as to the Wheary structure, you stated that [191] the difference between the Wheary structure and yours was that Wheary's brackets were located in the body and yours were located on the hinged side of the cover. The difference, then, is merely a question of where the connecting brackets are located, isn't it?

A. Yes, as well as the operation of the fixture on the basis of that location.

Q. Well, wasn't the operation the same?

(Deposition of Emanuel J. Shoemaker.)

A. The Wheary fixture would be horizontal over the body portion of the case when ready to close the cover and would prevent access to the other garments, or rather, access to the contents of the body; whereas my construction definitely puts the garments in the lid away from everything packed in the body.

Q. Doesn't your specification describe specifically that your member 12 can be swung downwardly to a position where it substantially covers the body?

A. When packing.

Q. And isn't that true of Wheary's?

A. Yes, when packing; but also when packed.

A. Well, when Wheary's garments are packed on his frame and the frame lifted up into the cover, it can be swung into the cover [192] the same as yours, can it not?

A. Well, partially. It wouldn't go right into the cover.

Q. Doesn't it swing entirely into the cover?

A. I don't think it does.

Q. What part of it projects out of the cover?

A. Well, the whole fixture is not entirely housed in the cover.

Q. Don't the brackets extend into the cover?

A. My impression is that they were not extended far enough to do that.

Q. The swinging end of the garment support when raised would swing back into the cover until

(Deposition of Emanuel J. Shoemaker.)

it struck the back side or what is the top side when the suitcase is closed? A. It might.

Q. Well, wouldn't it necessarily do that?

A. Without any retaining force, yes.

Q. It would naturally swing back there?

A. Yes.

Q. And assuming that the brackets do extend across the hinge line of the cover, then the entire frame, entire clothes supporting member, would be inside of the cover, wouldn't it?

A. Depending on the length of those brackets, it possibly would be entirely in the cover. [193]

Q. And the essential difference between the Wheary structure and yours is a question of where the brackets are mounted, whether they are mounted in the cover or whether they are mounted in the body?

A. Yes. But, as I also tried to say before, the Wheary fixture, with its garments on it, will have to be brought down horizontally over the body before the lid can be closed.

Q. Are you sure about that?

A. I am quite sure of that.

Q. Suppose the body were raised to the cover instead of the cover being swung down on to the body?

A. That might be done, but it is not a practical way of packing.

Q. Suppose also that Wheary had used the cross bands or straps corresponding to your straps 26

(Deposition of Emanuel J. Shoemaker.)

and 27, then couldn't the cover be swung down over the body without having the clothing drop out?

A. His construction never provided for that, and I don't know whether it could be done.

Q. That is, you mean that no straps are shown in his construction?

A. The straps that he used, if any, were fastened to the fixture itself in order to hold the clothing in order on the fixture.

Q. Well, straps such as your strap 26 were in common use in suit- [194] cases for many years, were they not, prior to your invention?

A. Not for a similar purpose.

Q. Well, for the purpose of retaining packed material in the cover, preventing it from falling out.

A. In certain forms that is probably true.

Q. It was very common, was it not?

A. Yes.

Q. Then if Wheary saw fit to make use of such straps in accord with common practice where retaining means are needed, prior art taught him fully how to do it, did it not?

A. He would then be fastening into the lid something that originates in the body, which would hardly have been done previously.

Q. Well, can you say that it originates in the body when it is intended by the shape of the brackets to support that frame inside of the cover?

A. I would interpret it so.

(Deposition of Emanuel J. Shoemaker.)

Q. Now, in the Winship structure you stated that the garment, a short garment, would not be held in the same position when the suitcase is normally carried. Would not the garment be suspended from his fixture when the suitcase is normally carried?

A. Suspended from his fixture in the free end of the lid, it would. [195]

Q. Yes, and would hang vertically when the suitcase is normally carried, would it not?

A. Correct.

Q. In the Wheary structure a garment draped over Wheary's swinging clothes support with one end hanging over what we call the front end of the body, if that clothes support were raised and swung into the cover the part of the clothing which was hanging over the front or handle end of the body would naturally swing to a vertical position or assume a vertical position as the frame was swung into the cover, would it not?

A. When the case is closed?

Q. When the frame, Wheary's frame, is swung upwardly into the cover.

A. It would assume a vertical position?

Q. Yes. A. Yes.

Q. And therefore if Wheary swings his frame to a horizontal position and drapes the garment on it just as you do, as described in your patent, and then swings that frame upwardly into the cover, the garment drapes, the hanging portion of the garment drapes over that frame exactly as occurs when

(Deposition of Emanuel J. Shoemaker.)

you swing your member 12 up into the cover, is not that true? [196] A. It could, yes.

Q. Well, it would, would it not?

A. As I picture it, the fact that his fixture is anchored in the body, in spite of those brackets reaching up into the lid, provides a limitation in the extension of that into the lid, of the packed fixture into the lid.

Q. You are not answering my question. My question is whether the part of the garment which hangs over the handle end of the body when Wheary places a garment on his fixture preparatory to packing it, whether that hanging portion of the garment will not fold and drop by gravity parallel with the other portion of the garment as soon as Wheary raises his fixture into the cover?

A. Yes.

Q. It would? A. Yes.

Q. Then there is no difference in that regard between Wheary's structure and yours?

A. Not in that regard.

Mr. Wheeler: I think that is all, Mr. Morsell.

Mr. Morsell: That is all, Mr. Shoemaker.

(Witness excused.)

EMANUEL J. SHOEMAKER

[197]

A. A. RITTER,

called as a witness on behalf of the plaintiff, being first duly sworn, was examined and testified as follows pursuant to questions propounded by C. B. Morsell:

Direct Examination

By Mr. Morsell:

Q. Please state your name, age, residence and occupation.

A. Name, Alois A. Ritter; age, 51.

Q. Residence.

A. Residence, 712 Russet Street, Racine, Wisconsin.

Q. Occupation.

A. Occupation, factory manager.

Q. Factory manager of what company?

A. Hartmann Trunk Company.

Q. Where is the Hartmann Trunk Company located and what business is it engaged in?

A. They are located in Racine, Wisconsin and their business is manufacturing trunks and luggage.

Q. Will you give us a little of the details of your particular line of duties with Hartmann Trunk Company?

A. I have full charge of the plant, plant equipment and manufacturing specifications. I take care of patent matters and all special work. [198]

Q. How long have you been connected with the Hartmann Trunk Company?

A. For thirty-six years.

(Deposition of A. A. Ritter.)

Q. In the general course of your duties with the company do you come in contact with patents frequently and attend to patent matters and development?

A. Yes, I do. I have been handling the patent matters for the past 17 years.

Q. Please explain a little more in detail as to your duties in connection with patents, the patent policy you pursue and some of the things you do in that connection.

A. Any new ideas we have I make a complete record of the inventions, such as date of conception, and take care of the filing of the application with the attorneys, and any complaints we have from our dealers or salesmen in their territories and cities regarding any competitive cases that appeared to be similar to ours, why, the matter is handled by me.

Q. Do you keep in touch with new developments in the art?

A. Yes, I do. I check the Official Patent Gazette for any patents that are issued pertaining to trunks and luggage and send for copies, and I usually read over the claims in a general way and classify them and file them for future reference. [199]

Q. In this connection, then, you have experience in looking over patents in your art from time to time?

A. Yes, I have.

Q. You don't purport to be an expert in the construction of claims or that sort of thing?

A. No, I do not.

(Deposition of A. A. Ritter.)

Q. I show you a copy of Shoemaker Patent, in evidence in these cases as Plaintiff's Exhibit 1, said patent being dated September 20, 1932, and being entitled "Hand Luggage." Please state whether or not you have ever seen this patent heretofore and state your previous familiarity with the patent, if any.

A. I have seen a copy of this patent, shortly after it was issued.

Q. Did you know anything about this invention before the issuance of the patent?

A. I knew of a patent pending to Mr. Shoemaker because at that time we were involved in an Interference case with this patent, and others, and we withdrew from the Interference, that is, we withdrew certain claims in our patent that were declared in the Interference.

Q. What does Hartmann Trunk Company manufacture and sell principally?

A. Manufacture wardrobe trunks, wardrobe luggage, and all accessory luggage. [200]

Q. The Hartmann Trunk Company has been in existence for sometime?

A. They have been in existence for over 62 years.

Q. What is the extent of its business?

A. Their product is sold through the leading department stores and luggage shops in the principal cities of the United States, and also some foreign export business in certain countries.

(Deposition of A. A. Ritter.)

Q. How does your hand luggage business compare with the rest of your business at the present time?

A. Well, the hand luggage is a larger business than our trunk business. I would say possibly 60 per cent of our business is in the hand luggage.

Q. Do the items of hand luggage manufactured and sold by the Hartmann Trunk Company include fixtures for the convenient and effective packing and folding of garments?

A. Some of the types of luggage do have fixtures.

Q. Now, is it not a fact that with respect of your various items of hand luggage you have certain lines, that is to say, there are a number of cases that go to make up a line, as for instance, a lady's wardrobe case, and then an over-night case, and different sized cases that make up a particular line?

A. Yes. Practically all our lines are made up in groups, that is, [201] the cases with the wardrobe fixtures are the key numbers and, of course, there are cases without fixtures that are accessory luggage to match.

Q. The wardrobe case in each group is the leader of that group, is that correct?

A. Yes. If a wardrobe case was not made in the group you might as well drop the rest of it because it would not sell.

Q. The other items of the group wouldn't sell if you didn't have a matching wardrobe case to go

(Deposition of A. A. Ritter.)

with it, is that correct? A. That is correct.

Q. Can you produce one of Hartmann Trunk Company's current catalogs and refer therein to disclosures of various items of wardrobe hand luggage? A. Yes.

Q. Please do so.

Mr. Wheeler: Are you going to have duplicates of that?

Mr. Morsell: Yes, we can have duplicates of that, Mr. Wheeler.

Mr. Wheeler: I would like to get them.

A. On page 6 there are the various types of luggage we manufacture, and on all the other pages are the groups showing the different [202] coverings and equipment.

Q. Please refer to the showing on page 6 and identify some of the fixture equipped items by name.

A. There is an item called the "Trip Robe", the "Skyrobe", "2-suit Bondstreeter", "3-suit Bondstreeter", and "2-suit Knocabout."

Mr. Morsell:

Q. After you learned of the Shoemaker patent in suit, what steps, if any, were taken by officials of your company looking toward the securement of a license to manufacture and sell under the Shoemaker United States Patent?

A. The Shoemaker Patent was under discussion with our officials in 1933 and '34 and it was finally

(Deposition of A. A. Ritter.)

decided to take the matter up with The L. McBrine Company regarding license, and Mr. Sand, our president, went to Kitchener, at Ontario, Canada, in 1934, and a license was agreed upon.

Q. Has your company been operating under this license ever since?

A. Yes; since January 1st, 1935.

Q. Now, did the officials of The L. McBrine Company approach you in regard to this license or did the Hartmann Trunk Company voluntarily approach The L. McBrine Company?

A. The Hartmann Trunk Company voluntarily approached The L. McBrine Company. [203]

Q. Do you know whether or not the company pays a substantial amount of money each year to The L. McBrine Company for the privilege of having this license? A. Yes, they do.

Q. Now, will you please refer to the Hartmann catalog and point out any of the items therein which are manufactured and sold under your license under the Shoemaker Patent in suit?

A. All of the items of luggage known as "Skyrobe" and also the "3-suit Bondstreater." Will you please repeat the question?

(Question read by reporter.)

A. I mentioned the "Skyrobe" and the "3-suit Bondstreater" are manufactured under the license of the Shoemaker Patent.

Mr. Morsell: The Hartmann catalog referred to by the witness is offered in evidence as Plaintiff's Exhibit 3.

(Deposition of A. A. Ritter.)

Q. Now, with respect to the pieces of luggage that are made and sold under your license under the Shoemaker Patent in suit, how are they marked with respect to patent numbers?

A. They have a patent label sewed into the lining of the case on which appear all of our luggage patent numbers and dates.

Q. With respect to the items which you manufacture under this license, do these tags include the number of the Shoemaker [204] Patent?

A. Yes, they do.

Q. Can you produce one of these marking tags?

A. Yes.

(Handed to counsel)

Q. Please point out on the tag the reference to the Shoemaker Patent in suit.

A. The second item, "No. 1,878,989, September 20, 1932," indicates the Shoemaker Patent.

Mr. Morsell: The patent marking tag referred to by the witness is offered in evidence as Plaintiff's Exhibit 4.

(Said marking tag marked Plaintiff's Exhibit 4.)

Q. Now, as to the cases of hand luggage manufactured and sold by your company under the Shoemaker Patent license, please state where and to what extent these items of luggage are sold.

A. They are sold through our dealers in all of the principal cities of the United States and also export in certain countries.

(Deposition of A. A. Ritter.)

Q. Can you name a few of your representative dealers?

A. Yes. Saks, Fifth Avenue, New York; Filene's, in Boston; John Wannamaker in Philadelphia; Marshall Field in Chicago; Neiman-Marcus, Dallas, Texas; Bullocks and I. Magnin & Co. on the Pacific Coast.

Q. Referring again to these patent labels which your luggage bears, [205] including the Shoemaker Patent, can you state whether or not luggage manufactured and sold by your company bore these labels for sometime prior to July, 1939, when the Bills of Complaint in the instant suits were filed?

A. Yes. Shoemaker Patent number and date appeared on these patent tags a short time after license was granted.

Q. But you can state definitely that many items of luggage went out of your shop with these tags on long prior to July, 1939? A. Yes.

Q. Are the items of wardrobe hand luggage which you manufacture and sell under the Shoemaker Patent license well received by the purchasing public?

A. Yes, and that is proven by it being handled by the leading stores in the country.

Q. Do you get repeat orders on these items?

A. Yes.

Q. Are they effective and practical in the packing of garments?

(Deposition of A. A. Ritter.)

A. Yes, they are very practical for their simplicity and easy operations and compactness in packing.

Q. Can you produce a man's hand luggage case manufactured by your company under the Shoemaker Patent? A. Yes. [206]

Mr. Wheeler: "A man's," you mean for men's clothing?

Mr. Morsell: Yes. The luggage case produced by the witness is offered in evidence as Plaintiff's Exhibit 5.

(Said luggage case marked Plaintiff's Exhibit 5.)

Q. Please refer to this case and describe the features of the fixtures incorporated therein and the manner in which they operate in the folding and packing of garments.

A. The fixture unit consists of a garment supporting frame and a garment carrying means attached to the supporting member at the hinged end thereof.

Q. To make the answer a little clearer on the record, the garment supporting means you refer to in this particular case is a frame, is that correct?

A. That is correct.

Q. And the garment supporting member you refer to is a hanger, is that correct?

A. A hanger.

Q. Where and how is this frame member mounted in the case?

(Deposition of A. A. Ritter.)

A. The frame member is hingedly connected adjacent the hinged section of the case in the cover portion.

Q. Where is the hanger mounted?

A. The hanger is mounted on the lower cross member of the garment [207] supporting frame.

Q. Is the hanger at the inner end of the frame?

A. Yes.

Q. Is it adjacent the hinge connection of the cover of the case with the body of the case?

A. Yes.

Q. Is the hanger removable? A. Yes.

Q. Now, please describe the manner in which you would pack a garment with this fixture.

A. The first operation would be to move the garment supporting member down over the body section. Next, remove the hanger and place the suit on it, then engage the hanger into the fixture frame which drapes the coat over the garment supporting member, and then moving the garment supporting member into packed position into the cover of the case, thereby folding the suit over the folding edge of the garment supporting member.

Q. Is there a means in this device for retaining the frame or fixture within the cover of the case?

A. Yes. There are two small spring catches on the ends of the cover section.

Q. And when the fixture is moved into the cover of the case, is the [208] suit completely housed within the cover of the case?

(Deposition of A. A. Ritter.)

A. Yes, and a retainer curtain is placed over the garments holding them in position.

Q. Now, can you produce a lady's hand luggage case manufactured by your company under its license under the Shoemaker Patent? A. Yes.

Q. Will you please produce that case.

Mr. Morsell: The lady's hand luggage case produced by the witness is offered in evidence as Plaintiff's Exhibit 6.

(Said lady's hand luggage case marked Plaintiff's Exhibit 6.)

Q. Now, please refer to this case and describe the fixtures incorporated therein for the folding and packing of lady's garments.

A. The fixture consists of a garment supporting member and is hingedly connected adjacent the hinged section of the case, and it has a garment supporting means, or garment carrying means, mounted at the hinge connections of the garment supporting member with removable hanger rods.

Q. Now, are there more than one removable hanger rods? A. Yes. There are four of them.

Q. It will then accommodate a plurality of ladies' dresses or garments? [209] A. Yes.

Q. And these hanger rods are mounted adjacent the hinged or pivotal connection of the folding frame or unit? A. Yes.

Q. Please describe briefly the manner in which garments are packed with this fixture.

(Deposition of A. A. Ritter.)

A. The hanger rods are removed from the fixture and the garment supporting frame is lowered into packing position, that is, over the body section of the case. The dresses or garments are draped over the hanger stick and then engaged into the fixture, thereby draping the dresses over the garment supporting member.

Q. When the garment supporting member is swung into the cover, what happens to the dresses or garments?

A. The dresses or garments fold over the closed end of the garment supporting frame.

Q. Do the bars provide means for primarily folding the garments? A. Yes.

Q. And the secondary fold is accomplished by the swinging movement of the frame or unit?

A. Yes.

Q. Does this case have means for retaining the fixture and the gar- [210] ments thereon within the cover section of the case?

A. Yes. It has a curtain retaining means.

Q. When this fixture is loaded with garments, what have you to say as to the accessibility to the body portion of the suitcase?

A. There is free accessibility to the body section of the case as the garments are packed entirely in the cover section.

Q. Is that likewise true of the man's case, Plaintiff's Exhibit 5? A. Yes.

(Deposition of A. A. Ritter.)

Q. If any of the features of the fixtures incorporated in these several luggage cases have any particular points of advantage or sales arguments, please mention the same briefly.

A. The main feature of the fixtures in these cases is the simplicity of operation and carrying of the garments in such a way as to eliminate sharp creases and wrinkles.

Q. Do the fixtures move and do they carry the garments without pinching or crushing delicate ladies' garments? A. Yes.

Q. How is the relationship of the garments in the packed case to the manner in which the case is normally carried?

A. The garments are carried by the garment supporting member when the case is in carrying position, that is, with the handle uppermost. [211]

Q. Do you find that these fixtures permit you to confine maximum length dresses and garments within a minimum of space, that is to say, can you make your cases rather compact? A. Yes.

Q. And with small dimensions?

A. It allows us to bring them down to a reasonable dimension and easy to carry and small in size, which is quite necessary, particularly so in women's luggage.

Q. Have you knowledge of the number of cases which your company has manufactured and sold employing the feature of the Shoemaker Patent to date?

(Deposition of A. A. Ritter.)

A. I would say we have manufactured over 1200 of the men's cases and approximately 69,000 of the ladies' cases.

Mr. Morsell: I offer in evidence for identification in the suit entitled *McBrine versus Koch, et al*, a wardrobe suitcase entitled "Koch's Luggage", which the reporter is requested to mark for the purposes of identification Plaintiff's Exhibit 7.

(Said wardrobe suitcase marked for identification in the suit entitled *McBrine versus Koch, et al*, Plaintiff's Exhibit 7.)

Q. I would now like to direct the witness's attention to this [212] Koch case. Please refer to this case and to the fixtures therein and describe the manner in which garments are packed and retained in position in this case.

A. The garments or dresses are hung on the hanger rods and placed in the fixture with the dresses draped over the bar on the outer end of the garment supporting member and then moved into the packed position in the cover section and held in place by spring catches, also a curtain retaining means, to hold the dresses in the cover of the case.

Q. How does the mode of packing and the retention of garments with the fixtures of this case compare, if it does compare, with your lady's case, Plaintiff's Exhibit 6, or with the mode of packing exemplified in the Shoemaker Patent in suit?

A. The method of packing in this case is the same as the Hartmann "Skyrobe" known as Ex-

(Deposition of A. A. Ritter.)

hibit 6, and Fig. 1 shown in the Shoemaker Patent, except that the drawing shown in Fig. 1 of the Shoemaker Patent shows a wood constructed garment supporting frame.

Q. Does the fixture of the Koch case have a garment supporting member having a free end about which garments are secondarily folded?

A. Yes. [213]

Q. Does it have one or more hanger bars about which garments are primarily folded?

A. Yes.

Q. Is the swinging unit pivotally mounted within the hinged end of the cover of the case?

A. Yes.

Q. When the case is loaded and the fixtures in condition to be swung into the cover, and also when the fixture is in the cover, are the removable hangers located adjacent the hinge connection of the cover with the body? A. Yes.

Q. I observe that this particular fixture has, in addition, an extension which can be moved to a vertical position when the fixture is moved over the body of the case for packing purposes. What have you to say as to this detail?

A. This is merely additional and the case can be packed with the fixture in a vertical position or in the horizontal position.

Q. At all events, when the case is packed and when the fixture is utilized for the folding and car-

(Deposition of A. A. Ritter.)

rying of garments, what is the relationship of the removable hangers to the other parts of the assembly?

A. Will you repeat that, please? [214]

(Question read by reporter.)

Q. In other words, where are they located?

A. They are located adjacent the hinged connection of the case and attached in the slides of the garment carrying means.

Q. So that when this fixture is functioning as a carrying unit within a packed case, the fixture, the entire fixture, is lodged within the cover of the case and the individual removable hanger bars are always positioned at the inner end of the cover adjacent the hinged connection of the cover with the body, is that correct?

A. That is correct.

Q. Now, when that case is packed and carried, what position do the draped garments assume relative to the handle end of the case?

A. The draped garments are in a vertical position and carried by the garment supporting member, that is, with the handle of the case in the uppermost position.

Q. Do you see any advantage in having the individual hanger bars removable? A. Yes.

Q. What is that advantage?

A. It would be very difficult to drape the dresses on the garment [215] rod if they were not removable.

(Deposition of A. A. Ritter.)

Q. Please refer to Claim 25 of the Shoemaker Patent in suit and compare the same, element for element, with the Koch structure before you.

A. Claim 25 reads: "Luggage comprising a body portion, a cover portion hingedly carried by said body portion."

Q. Do you find both of those elements in the Koch case? A. Yes.

Q. And the cover is hingedly connected to the body? A. Yes.

Q. Go on.

A. The claim reads further: "A garment supporting member hingedly carried in said luggage."

Q. What is the equivalent element in the Koch case?

A. I find that the garment supporting member is hingedly carried in this particular piece of luggage.

Q. In this Koch luggage, is that member the frame with the wooden bar at its outer end?

A. Yes.

Q. And that is hingedly mounted, at its inner end, to the cover of the case? A. Yes. [216]

Q. Adjacent the inner end of the cover?

A. Correct.

Q. Go on.

A. And reading further, the claim states: "and a hanger rod removably carried adjacent the hinge connection of said body portion and said cover portion."

(Deposition of A. A. Ritter.)

Q. What is the situation of the Koch luggage with reference to that last element?

A. The hanger rods are removably carried adjacent the hinge connection of the body portion and cover section, except the claim reads "hanger rod," whereas the fixture in the Koch case has four hanger rods.

Mr. Morsell: In the suit entitled "McBrine versus Sol Silverman, et al, doing business under the name and style of Balkan Trunk And Suitcase Co., I wish to offer in evidence for identification—

Mr. Wheeler: I wish you would take the testimony about it before you offer it in evidence. Have it marked for identification.

Mr. Morsell: I wish to have marked for identification as Plaintiff's Exhibit 8, a suitcase, this case bearing a tag or name-plate reading, "Balkan Aero-Light Luggage." [217]

(Said suitcase bearing the tag or name-plate "Balkan Aero-Light Luggage", marked for the purposes of identification Plaintiff's Exhibit 8.)

Q. I direct your attention to this Balkan case and would ask you to examine the same and describe the fixture therein and the manner in which it operates.

A. I find this fixture has a garment supporting frame hingedly connected in the cover of the case adjacent the hinged section of the body and cover;

(Deposition of A. A. Ritter.)

also a garment carrying means with removable hanger rods.

Q. Please describe the manner in which a lady's dress would be packed in the case with the fixture incorporated therein.

A. The dress or garment is folded over the hanger stick and then placed into the garment carrying means, and the garment supporting member is moved into packed position into the cover of the case and held in place by spring catches and an elastic strap. It also has a retainer curtain to hold the garments in packed position. The garments are packed entirely in the cover section of the case.

Q. Does the frame about which garments are secondarily folded have an extension which may or may not be projected to a vertical position for packing operations? [218]

A. Yes, it has a means of extending a section of the garment supporting frame into a vertical position.

Q. Can the case be packed either with the extension in a vertical position or with the extension in a horizontal position? A. Yes.

Q. In the latter event, meaning the horizontal position, where are the individual hangers located?

A. They are located adjacent the hinge connection of the case and near the hinge connections of the garment supporting frame.

Q. Are those individual hangers removable?

A. Yes.

(Deposition of A. A. Ritter.)

Q. Are they removable in either position of the extension arms? A. Yes.

Q. When the case is packed and the fixture is located in the cover of the case, are the garments entirely confined within the cover? A. Yes.

Q. Where are the individual hanger rods then located?

A. They are located adjacent the hinge connection of the body and cover section of the case.

Q. The garments are primarily folded on the hanger rods? A. Yes. [219]

Q. And secondarily folded on the outer end of the frame? A. Yes.

Q. Will you please apply Claim 25 of the Shoemaker Patent in suit to this Balkan case?

A. Claim 25 reads: "Luggage comprising a body portion; a cover portion hingedly carried by said body portion," which I find is the construction of the case in question. The claim reads further: "a garment supporting member hingedly carried in said luggage." I find the garment supporting member is hingedly carried in this case.

Q. Is that garment supporting member the frame and the extension arms included in the frame? A. Yes.

Q. That comprises the garment supporting member? A. Yes.

Q. Go on.

A. "and a hanger rod removably carried adjacent the hinged connection of said body portion

(Deposition of A. A. Ritter.)

and said cover portion," which in this case is the same as the claim reads.

Mr. Morsell: The case about which the witness has just testified, the Balkan Aero-Light Case," is offered in evidence in the suit of McBrine versus Silverman, et al, as [220] Plaintiff's Exhibit 8.

Mr. Wheeler: The exhibit is objected to as incompetent to show infringement. [221]

Q. Have you any familiarity with a form of wardrobe case or fixture equipped case known as the Winship case? A. Yes.

Q. How long have you *know* of that type of case? [223] A. I would say about ten years.

Q. Can you describe the form of the fixture utilized in that type of case?

A. The fixture in the Winship case was a garment supporting frame mounted in the free end of the cover section and the mounting was pivotal so the fixture could be extended out of the case making it more convenient for packing. Also, it had one garment rod that was stationary and permanently attached to the garment carrying frame.

Q. Where was that rod with reference to the frame, at the outer end of the frame or at the inner, hinged edge of the frame?

A. At the outer end of the frame.

Q. In those Winship arrangements, did the frame ever swing down flatly over the body of the case? A. No.

Q. What length were the arms of the frames in those cases?

(Deposition of A. A. Ritter.)

A. I would say about four or five inches.

Q. How was it contemplated that garments be held on those frames?

A. The garments were folded in the center and draped over the bar and extended into the body section of the case.

Q. Did those fixtures automatically give you double or compound folding of the garments? [224]

A. Only double folding of the garments.

Q. It didn't provide for a primary folding and an automatic secondary folding or draping, did it?

A. No.

Q. Did those fixtures ever, to your knowledge, have individual hanger members removably associated with the inner ends of the frames?

A. No.

Q. Do you know what were the requirements for the sizes of cases in which those types of fixtures were mounted?

A. The Winship fixture functions similar to fixtures known as trolleys, with folding side arms, and that type of fixture was installed in cases that had a length of 29 inches and more; whereas the Winship case was made with a length of about 18 inches.

Q. In the Winship type of case, if the garments were at all long, would they drape into the body portion of the case? A. Yes.

Q. Did the Winship device contemplate that the garments should so drape? A. Yes.

(Deposition of A. A. Ritter.)

Q. Was provision made for that? [225]

A. They had a partitioned well in the back of the body section of the case and in some instances this was removable so that longer dresses could be hung in the case.

Q. And in that event the dresses would have to be extended down into the well in the back of the body of the case and then laid flatwise and extended forwardly in the bottom?

A. That is correct.

Q. With the Winship type of case and fixture, could you provide a practical case of limited dimensions, comparing the dimensions with your present "Skyrobe", for instance? A. No.

Q. What would the result be in dimensions?

A. The case would necessarily have to be made of an extreme width that might be very inconvenient for a woman to carry.

Q. In other words, the lengthwise dimension of the cover would have to be considerably greater than in your present "Skyrobe", is that true?

A. Yes. That is, the dimensions from the free end to the hinged end of the cover section.

Q. Yes. And in your present "Skyrobe" structure you can get that relatively short cover dimension by virtue of the utilization of the Shoemaker fixture which gives you compound folding, is [226] that correct? A. That is correct.

Q. And that was not attainable with the Winship form of devices, is that correct?

A. That is correct.

(Deposition of A. A. Ritter.)

Q. Do you know whether the Winship form of case is being exploited to any extent today?

A. I doubt very much if it is being made, as I have not seen any of it on the market.

Q. Has it been supplanted by the compound folding fixtures? A. I believe so.

Q. Now, have you any familiarity with the patent issued to Wheary wherein a garment folding frame was mounted in sockets within the inner end portion of the body of the case? A. Yes.

Q. Is it correct that the frame in that structure, that is, the fixture frame, was pivoted at its inner end to brackets and those brackets are mounted in sockets in the inner end of the body of the case?

A. Yes.

Q. And is it correct that those brackets had rearwardly curved extensions directed toward the rear wall of the case? [227]

A. Yes. And that was done so that the fixture would come within the cover of the case when the case is closed.

Q. In designing luggage for the accommodation of lady's garments of frail fabrics, do you have to bear in mind the fact that these garments must be handled and retained in such a manner that they won't be damaged or creased or crushed or torn or pinched?

A. Yes, particularly so to keep them clean.

Q. Where you have a fixture in which an inner end portion has garments draped thereabout and which inner end portion is definitely on a shifting

(Deposition of A. A. Ritter.)

pivot, would there be any danger of pinching or rubbing or damaging the garments? A. Yes.

Q. Would you say that would be true of the Wheary structure we have just been discussing?

A. Yes.

Q. From a practical standpoint, in your own operations, would you find it more desirable to manufacture and exploit a case wherein the fixture was definitely located in the cover of the case?

A. Yes.

Q. Or a fixture which would shift its position from one part of [228] the case to another to relocate the hinge?

A. The fixture in the cover of the case is more practical because it always gives free access to the body section for other wearing apparel items.

Mr. Morsell: I believe that is all, Mr. Wheeler. You may cross-examine. [229]

Cross Examination

By Mr. Wheeler:

Q. Did you say that the Hartmann Trunk Company was involved in the Interference between Shoemaker and others at the time the Shoemaker application was pending? A. Yes.

Q. And before that withdrawing of the Interference counts, was there an investigation as to the priority of Wheary or the Hartmann line?

A. Yes.

Q. And did you come to the conclusion that Wheary was prior to Shoemaker and to the appli-

(Deposition of A. A. Ritter.)

cation that the Hartmann Trunk Company owned?

A. I don't just remember if it was Wheary. It was one of the applications. I think at that time there were four involved.

Q. And would you be able to identify the Interference counts by reference to the file history and to the claims of the Wheary Patent 179877?

A. No, I don't think I would be familiar with that.

Q. I will hand you the file history of the Shoemaker Patent and ask you to examine Claim 13, which is the first count of the Interference, as compared with Claim 8 of this Wheary patent.

A. Claim 8 of the Wheary Patent? [230]

A. Both claims read exactly alike.

Q. And the claims in Interference were allowed in the Wheary Patent? A. Yes.

Q. Now, in your testimony you stated that the Hartmann Trunk Company pays a substantial amount of money each year for their license?

A. Yes.

Q. How much money is paid each year?

A. According to our records, we have paid \$1,000 per year up to date.

Q. And is that computed on the basis of the number sold or is that a stipulated annual royalty?

A. No, it is computed on the number of pieces sold, with a minimum charge.

Q. How much is that minimum charge?

A. One thousand dollars.

(Deposition of A. A. Ritter.)

Q. How much is the royalty on each article sold?

A. Offhand I couldn't state just what the royalty is per piece.

Q. And the number of sales doesn't conform to the amount paid? A. I presume not.

Q. On the basis of the royalty per piece. Do you have an idea of about how much royalty is paid for each article? [231] A. No, I haven't.

Q. You said that you were selling 1200 men's cases and 69,000 ladies' cases to date? A. Yes.

Q. And you say that comes to less than a thousand dollars annual royalty?

Mr. Morsell: He didn't say less.

A. No, I didn't say less.

Mr. Wheeler: Q. Well, not more?

A. I said we paid a thousand dollars per year so far, because we didn't reach a certain figure.

Q. That is, computed on the basis of so much royalty apiece, this 69,000 of the ladies' cases, plus 1200 men's cases, would not amount to a thousand dollars?

A. I presume not, according to that figure. Of course, there will be an increase in the minimum rate effective January 1st, 1940. I don't know what the exact amount is and how often it steps up. I don't know exactly the details of their contract, agreement.

Q. Is the Hartmann Trunk Company financing this litigation in whole or in part? [232]

A. Not to my knowledge.

(Deposition of A. A. Ritter.)

Q. Is there a litigation agreement between Shoemaker and the Hartmann Trunk Company?

A. In respect to this litigation?

Q. Yes. A. Not that I know of.

Q. Do you know why the Pacific Coast men were picked out as defendants? A. No, I do not.

Q. Was the Hartmann Trunk Company making the Shoemaker device before it procured the license from Shoemaker?

A. Yes, I guess we were. That was the reason why we got a license.

Q. Were you then making a device like the exhibit that has been introduced here as representing the Hartmann structure?

A. Well, there may be—that is, I know there are improvements on this device over the devices we used prior to the license date.

Q. Were you closer to what is disclosed in the Shoemaker Patent at the time you took the license than you are now?

A. I would say about the same.

Q. Was the company threatened? A. No.

[233]

Q. Are a considerable number of the items listed in the catalog, Exhibit 3, handled by Wannamaker and the other customers that you mentioned in your direct testimony? A. Yes.

Q. The goods they handle, then, are not limited to the goods that are supposed to be under the Shoemaker Patent, are they? A. No.

(Deposition of A. A. Ritter.)

Q. And they sell large numbers of these other goods? A. Yes.

Q. In Plaintiff's Exhibit 5, is the garment supporting member pivoted to the hinged side of the cover or to the lateral side flanges of the cover?

A. I presume by the "side flanges" you mean the end sections of the cover section of the case?

A. Yes. The walls of the cover that extend from the hinged side to the swinging end. A. Yes.

Q. What is your answer?

A. The answer is that it pivots on the side walls you refer to.

Q. Yes. And that is true also of Exhibit 6?

Mr. Morsell: That is the "Skyrobe." [234]

A. Yes.

Mr. Wheeler: Q. And when the garment supporting frame or member is swung downwardly over the body in these exhibits, it does not extend into proximity of the handle end of the body, does it?

A. I don't understand the question.

Q. Isn't there about six inches of open space between the end of the swinging clothes supporting member and the handle end of the body?

A. You have reference to the distance here (Indicating suitcase) I would say approximately five inches. Excuse me, Mr. Wheeler. In this particular instance these are adjustable, in this particular case, but that isn't—

Q. The swinging draping bar is adjustably connected with the side bars of the frame? A. Yes.

(Deposition of A. A. Ritter.)

Q. When the bar is extended its greatest distance from the pivot, it still is quite a distance from the handle end of the body, is it not?

A. I would say about five inches.

Q. Prior to the year 1928 was it not customary to use removable hanger bars in clothes supporting fixtures?

A. Yes, but that was in the free end of the cover section of the [235] cases or in the body sections of the miniature type wardrobe trunks.

Q. But it was common practice to use a plurality of removable hanger bars in clothes supporting fixtures? A. Yes.

Q. Do you know who made the metal parts that appear in Plaintiff's Exhibit 8?

A. Yes. It is the Rite Way fixture manufactured by the Milwaukee Stamping Company, which is stamped right on the fixture.

Q. The Balkan Company abandoned that type of fixture long prior to the commencement of this suit, didn't they? A. I do not know.

Q. With that fixture in Plaintiff's Exhibit 8, can the garment be packed with the same facility when the clothes supporting member or frame is at a horizontal position as when it is in the raised or vertical position? A. Yes.

Q. Can any specific garment be removed and replaced with the same facility? A. Yes.

Q. Do you think that that fixture is intended to be used for packing and removing garments when

(Deposition of A. A. Ritter.)

the clothes supporting [236] member is in a horizontal position?

A. When it is in a horizontal position?

Q. Yes, instead of that raised position at the ends of the hinges.

A. Do you say it was intended?

Q. Yes.

A. That I wouldn't know, but it is easy to see that it can be used that way and might be used that way.

Q. What do you understand to be the object of mounting the clothes supporting frame upon the hinges so that that frame can be raised to a vertical position?

A. Well, in my opinion I would say that they had in mind that the garments could be hung in a vertical position while packing instead of laying them over the case engaging them into the garment carrying means.

Q. The hinges add to the expense of the fixture, do they not? A. They what?

Q. The hinges add to the expense of the fixture?

A. Yes.

Q. The hinges and the means for supporting the garment supporting member in the vertical position? A. Yes, they will add some. [237]

Q. And they would not be used unless it was assumed that the garments would be packed and removed with the supporting member in the vertical position? A. I couldn't say that.

(Deposition of A. A. Ritter.)

Q. Well, would your company go to the expense of putting in hinges if you didn't think they were going to be used? A. No, they wouldn't.

Q. And when the suitcase is closed, the hinges support the garment supporting member, do they not? A. Yes.

Q. In other words, the garment supporting member is suspended from the upper ends of the hinges?

A. Yes, but it is adjacent the hinge connections of the case.

Q. It is adjacent, but not on that hinged part of the cover? A. Yes.

Mr. Wheeler: That is all.

Redirect Examination

By Mr. Morsell:

Q. Mr. Ritter, if your company thought that a slight modification in the form of a fixture might help it to avoid some patent difficulty, then would your company feel that it would be justified in paying the increased price that the addition in [238] the fixture might incur? A. Yes.

Mr. Morsell: That is all.

Mr. Wheeler: That is all.

Mr. Morsell: That will be all, Mr. Ritter.

(Witness excused.)

(Which were all the proceedings had and testimony taken in the above entitled matter at said time.) [239]

In the Southern Division of the United States District Court, in and for the Northern District of California.

Before: Hon. Michael J. Roche, Judge.

Civil Action No. 21,271-R

THE L. McBRINE COMPANY, LIMITED,
Plaintiff,

vs.

SOL SILVERMAN and SAM SILVERMAN, co-
partners doing business under the name and
style of Balkan Trunk & Suitcase Co.,
Defendants,

Civil Action No. 21,273-R

THE L. McBRINE COMPANY, LIMITED,
Plaintiff,

vs.

HERMAN KOCH, doing business under the name
and style of H. Koch & Sons, and HAROLD
M. KOCH, WILLIAM L. KOCH and
REBECCA KOCH,

Defendants.

Tuesday, March 12, 1940.

Counsel Appearing:

For Plaintiff:

Curtis B. Morsell, Esq.,
John Hursh, Esq.

For Defendant Silverman, etc.:

J. E. Trabucco, Esq.,

L. C. Wheeler, Esq.

For Defendant Koch, etc.:

George B. White, Esq. [243]

Mr. Trabucco: In connection with the *McBrine v. Silverman* case, 21,271, I wish to associate Mr. L. C. Wheeler, of Milwaukee, as an attorney for the defendants.

Mr. Hursh: If the Court please, at this time I would like to move the admission for this case of Mr. Curtis B. Morsell, of Milwaukee. He is a member of the State Bar of Wisconsin, and is out here to try this case, or these two cases, before your Honor.

Mr. Trabucco: I make the same motion with respect to Mr. Wheeler. [244]

IRVING C. ROEMER,

Direct Examination

Mr. Morsell: Q. Mr. Roemer, will you please state your name, age, residence, and occupation?

A. My name is Irving C. Roemer; I am 35 years old; I reside in Oakland, California; I am occupied as a patent attorney.

Q. How long have you been engaged in patent work?

(Testimony of Irving C. Roemer.)

Mr. White: If your Honor please, we will stipulate to the qualifications of Mr. Roemer as a patent expert in the case. [259]

Mr. Morsell: Stipulate that Mr. Roemer is a patent expert and experienced in patent matters?

Mr. White: Yes.

Mr. Morsell: Q. Are you familiar with and have you studied the Shoemaker patent in suit No. 1,878,989? A. Yes, I have.

Q. Which is in evidence as Plaintiff's Exhibit 1?

A. Yes.

Q. Will you please explain the structure contemplated by the Shoemaker patent, and in so doing you may refer to any chart or charts which have been prepared to show in enlarged form several of the views in the patent drawings of the Shoemaker patent?

A. The Shoemaker patent No. 1,878,989 relates to hand luggage, and particularly to a fixture for arranging garments, or packing garments in the luggage. It relates especially to a device shown in the drawings on this chart.

Mr. Morsell: At this time, your Honor, I might identify that chart and offer it in evidence. I will ask the witness——

The Court: What is the next number?

Mr. Morsell: Q. Was this chart prepared from the drawings of the Shoemaker patent under your supervision?

A. Yes. This chart consists of enlargements taken from drawings of the patent.

(Testimony of Irving C. Roemer.)

Mr. Morsell: I offer the chart in evidence as Plaintiff's Exhibit 9.

(The chart was marked "Plaintiff's Exhibit 9.")

The Witness: This chart, which consists of enlarged photostats and copies of the drawings of the patent, I have added to these drawings certain colors and certain lines to be used in simplifying the designations of the several parts of the luggage. The Shoemaker patent relates to the fixture which is principally shown by the letter C, and colored in red on the chart, and the purpose of this fixture and associated parts which I will refer to in a [260] moment is to assist in hanging or arranging garments, particularly within the cover portion of the luggage, and in such a manner that when the luggage is being carried the garments are neatly draped according to the carrying position of the luggage; that is, the handle of the luggage would be at the upper portion of Fig. 4 when the luggage is closed, and the garment carried within the cover portion would be draped just as though it were hung over a rod or hanger in a clothes closet, and in that way creasing or mussing of the garment while being carried is avoided to the greatest possible extent.

The patent describes the fixture as having a folding member. That folding member is that shown at C, and colored in red in the drawing, and will probably be referred to as a frame, because it may be confusing, or confused with the folding means of the patent, which is colored in blue and designated

(Testimony of Irving C. Roemer.)

by the letter D. The folding means in the claims will probably be referred to as a hanger bar, or hanger.

Q. Mr. Roemer, you have been inadvertently, I believe, mentioned the folding means as being specified in the claim. May I direct your attention to the fact that the frame C has been designated in the claims as a garment-supporting member?

A. Yes.

Q. And Bar D has been designated as garment-supporting means. In order to clarify this discussion we might hereafter refer to the so-called garment-supporting member as the frame and the so-called garment-supporting means as the bar or hanger. Will you proceed, please?

A. There is a part colored brown and designated with the letter F, which is used to retain the form of—well, used to retain the supporting member, or the frame, within the cover member, and to retain the garment there when the luggage is in its packed condition. [261]

The members marked G are little brackets, colored yellow, by means of which the bar or hanger D is secured in place.

In packing the garment the garment is draped over the hanger designated by the letter D, then placed in position in such a manner that it will lie over the frame, which at this time is horizontal, or stretched out over the open body of the suitcase. The bar D with the garment on it is snapped in place by the brackets G to which the frame is folded

(Testimony of Irving C. Roemer.)

in its packed condition, as illustrated in Fig. 4, within the cover member, and in being so folded the garment is caught approximately half way by the member marked E, which is a folding edge on the frame C, and this edge serves to carry the garment into position within the cover member, and also to brace it or place in it what is referred to as a secondary fold, the primary fold being made over the bar D.

Q. Do you find in the specification of the Shoemaker patent with reference to the claims involved in this litigation any limitation as to the shape or form which this so-called garment-supporting member or frame C may take in practical form?

A. No, none, whatsoever. The purpose of the member C is such that it must be connected at its inner end and have an edge at its outer end which is substantially parallel to the inner end, and it may be in a solid piece or a frame of any desired shape proper in luggage usually designed for lightness and strength.

Q. Will you explain the advantages of the invention recited in the Shoemaker patent specification and point out in the specification where you obtain support for the statements in this connection you may make?

A. Referring to page 1 of the Shoemaker patent, to the first paragraph, the inventor says that this invention relates to hand luggage, and more particularly to a means for packing [262] garments so that

(Testimony of Irving C. Roemer.)

they may be supported in upright position relative to the common manner in which luggage of this nature is carried.

I interpret that as meaning that the garments are packed and disposed in the luggage in such a manner that when it is carried they are properly hung or draped without any tendency to cause them to slide to one side and become wrinkled and mussed in transportation.

The patentee goes on and says, starting in line 11 of page 1:

“A further object of my invention is to provide a supporting member which is hingedly mounted relative to the hinged side of the cover portion of the luggage and which supporting member carries a hanger rod over which the garments may be folded, which garments are further folded over the free end of the supporting member when the same is being moved to normal packed position in the said cover portion.”

The supporting member referred to in that quotation is the member which I have designated with the letter C in Fig. 1 on the chart, Exhibit 9, and the hanger rod referred to is the rod designated with the letter D.

This quotation also refers to the manner in which a garment is hung on the rod, which is then placed on the supporting member so that when the supporting member is folded into this position within the cover it receives the secondary folding over the

(Testimony of Irving C. Roemer.)

free end of the supporting member, as I have just described.

Going on, the patentee says at line 34:

“A further object is to provide hand luggage, having therein a garment-supporting member carried relative to the hinged side of the upper or cover portion of the luggage, and a removable hanger rod carried adjacent the said hinged side in co-acting relationship to said supporting member.” [263]

Mentioning the removable hanger rod, that refers to the detachability of the rod D.

The patentee then says, beginning line 41:

“A further object of my invention is to provide hand luggage, having therein one or more garment-supporting members carried relative to the hinged side of the upper or cover portion of the luggage, which supporting member or members are adapted to have carried thereon one or more removable hanger rods over which the garments may be folded, which garments are further folded over the free end of their respective supporting member as the same is being moved to normal packed position in said cover portion.”

By that we see that the patentee contemplates that there might be more than a single bar D supporting the member C, and that in supporting a plurality of bars D in that manner more than one garment may be hung on the bars D, which when put in place would cause all of the garments hung thereon to be folded or draped over the folding edge

(Testimony of Irving C. Roemer.)

E of the supporting member C when it was moved into its packed position within the cover of the luggage.

Q. Now, will you please refer to Claim 4 of the Shoemaker patent in suit, one of the claims relied on, and read that claim on the structure in the chart of the Shoemaker patent?

A. Claim 4 calls for "Luggage, comprising a body portion; a cover portion hingedly connected to said body portion." I will interrupt myself in the middle of the claim and refer to the body portion, which I have designated with the reference letter A on the chart Exhibit 9, and cover portion which is designated by the reference letter B.

The claim goes on——

The Court: Pardon me. Where is that?

A. In claim 4, line 3. Page 4 of the patent, at line 25 now. [264]

Mr. Morsell: Pardon me, your Honor. If you will refer to the typewritten pages; we have claim 4 broken down there.

The Court: I see. Proceed.

Mr. White: If your Honor please, may I interrupt for a second? I just heard some reference made to typewritten pages. I understood it was a copy of the patent. I just want to understand what the typewritten pages refer to.

Mr. Morsell: Merely to the analysis of the claims broken down.

Mr. White: Could we have a copy of it?

(Testimony of Irving C. Roemer.)

The Court: Here is a copy, here. I have two of them.

Mr. White: We have a copy of the patent, your Honor. I did not know just what the typewritten pages referred to.

The Court: Now, going back to page 4.

The Witness: Claim 4. I have read the claim, including the body portion and the cover portion of the luggage. Now, I continue with the claim where it starts after the semicolon:

“A garment supporting member hingedly connected to the hinged side of said cover portion.” That member is the member which is colored red on Exhibit 9 and identified as the part C, and is hingedly connected to that portion of the cover member which is hinged to the body member. The hinges between the cover member and the body member is, of course, at the point where they are shown joined together, and the hinge between the supporting member C and the cover member B is illustrated clearly in Fig. 4 of the drawings, but it does not have a reference numeral; it is a small metal hinge in this particular embodiment of the invention, so the member C may be folded over the luggage, and I may point out that the only purpose of the hinge is to hold the member in place within the suitcase. So it is not a separate member to be taken out and moved about, but it is held in place [265] there and that hinge is at same time permits it to be swung from a horizontal position, which is

(Testimony of Irving C. Roemer.)

one of the positions in which it is used in packing a suitcase, to a vertical position, in which it is entirely contained within the cover portion of the suitcase.

The claim goes on:

“and a garment-supporting means removably carried by the hinged side of said supporting member.” The garment-supporting means is the bar D shown in blue, and it is removably carried by the hinged side. It is removably carried by this side. That is the side adjacent the hinge of the suitcase by the member C. It is shown also in Fig. 4, where the blue bar D is shown as attached adjacent the hinged connection of the supporting member C and within the cover member B.

The Court: It is time for adjournment. We will take an adjournment until two o'clock.

(A recess was here taken until two o'clock p. m.)

[266]

(Testimony of Irving C. Roemer.)

Afternoon Session.

The Court: Proceed, gentlemen.

IRVING C. ROEMER,

Recalled;

Direct Examination

(Resumed)

Mr. Morsell: Q. Mr. Roemer, I will read Claim 10 of the Shoemaker patent in suit to you element for element and would ask you to apply each element as I read the same to the structure of the Shoemaker patent exhibited in the chart Plaintiff's Exhibit 9. Claim 10 reads:

“Luggage, comprising a body portion.”

A. The body portion of the luggage is the portion shown by the reference character A.

Q. “a cover portion hingedly connected to said body portion”.

A. The cover portion is the portion B which is hinged to the body portion at the point where they are shown as joined in the drawing.

Q. “a garment-supporting member carried by the hinged side of said cover portion”.

A. The garment-supporting member is that member C shown in red on the drawing and it is carried by the hinged side of the cover portion; or, in other words, by that side or end of the cover portion that is hinged to the body portion.

(Testimony of Irving C. Roemer.)

Q. "said supporting member embodying a garment-supporting means, on which garments may be primarily folded, and a folding edge, on which garments may be secondarily folded".

A. The garment-supporting means is the hanger D which is embodied in the member C. The folding edge is the outer portion, or outer edge of the supporting member or frame C, which is identified by the character E in the drawing.

Q. The garment-supporting means form the bar D, that is shown in [267] its assembled relationship in Fig. 4, is that correct?

A. In Fig. 4, yes, that is the same bar or hanger that is shown at D in Fig. 3.

Q. After the bar D has been engaged with the bracket 29, is that correct? A. 29, or G.

Q. The claim further reads:

"and means for retaining said supporting member in packed position in said cover with said garment supported in parallel relationship to the normal carrying position of said luggage."

A. The means referred to are the straps F which when the garment-supporting member is swung to its position within the cover, or brought across the front and fastened to the opposite side of the cover prevent it coming out. The portion of the claim which refers to supporting the garment in the carrying position refers to the feature of the garment being draped over the edge E to hang naturally therefrom when the luggage is being carried

(Testimony of Irving C. Roemer.)

or when it is in its upright or normal carrying position.

Mr. Trabucco: Pardon me for interrupting. I see no reason for this particular testimony. The patent speaks for itself. We have no objection to the witness testifying as to the claims referring to this structure, but it seems to me that it is just a waste of time. The court can read the patent for himself.

Mr. Morsell: We are merely doing this to familiarize the Court with the relationship of the elements as recited in the claims.

Mr. Trabucco: The patent speaks for itself, your Honor. There isn't any reason for the witness testifying as to where these parts are located. The drawings are self-explanatory.

The Court: You may proceed.

Mr. Morsell: Q. I will now refer you to Plaintiff's Exhibit 7, the alleged infringing hand luggage as manufactured by the defendants [268] Koch, et al, in action 21,273-R. I will read relied-upon Claim 4 of the Shoemaker patent in suit element for element, and would ask you to point out wherein the infringing structure you find these elements, if you do find the same:

“Luggage, comprising a body portion”——

A. This is the body portion of the luggage. That is the main box-like part in which the main contents of the luggage are carried.

Q. “a cover portion hingedly connected to said body portion”——

(Testimony of Irving C. Roemer.)

A. This is the cover portion which is hinged in such a manner that it will close over the body portion.

Q. "a garment-supporting member hingedly connected to the hinged side of said cover portion"—

A. The garment-supporting member is the member which includes this bar or folding member and the links by which it is carried; or, in other words, the frame, the U-shaped frame which is pivotally connected to the hinged side of the cover member. The pivotal connections are those connections which permit it to be moved from its horizontal to its vertical position, and are just inside the cover adjacent the hinge, exactly where I place my finger.

Q. The next element is: "and a garment-supporting means removably carried by the hinged side of said supporting member."

A. The garment-supporting means are in the form of bars or hangers over which a garment may be draped preparatory to placing it in the luggage.

Mr. Morsell: If your Honor please, we are relying on quite a few claims, and I don't wish to burden the Court with reading all of the claims on these structures element for element unless the Court so desires.

The Court: Not unless there is some particular element that I might overlook and there isn't anything in relation to any of these that I cannot follow the language in the claim that I am aware [269] of now.

(Testimony of Irving C. Roemer.)

Mr. Morsell: Unless the Court thinks otherwise I think we can just apply one claim to each of these structures.

The Court: Yes.

Mr. Morsell: And if there is any question then we can go through any of the other claims.

Q. I will now refer the witness to Plaintiff's Exhibit 8, a luggage case admittedly manufactured by the defendants Silverman, et al, in an action of *McBrine v. Silverman, et al*, Civil Action 21,271-R, and I will read Claim 4 of the patent in suit element for element and ask you to point out where you find these elements in this structure:

“Luggage, comprising a body portion”——

A. That is the main box-like portion of the luggage.

Q. “a cover portion hingedly connected to said body portion”——

A. The cover portion is that part which closes over the body portion, by reason of its hinged connection therewith.

Q. “a garment-supporting member hingedly connected to the hinged side of said cover portion”——

A. The garment-supporting member is again the frame which is adapted to be swung from a horizontal position to a vertical position in placing the garments in the luggage, and which is hinged to the cover portion at the hinged side thereof by little pins or pintles arranged where I indicate with my finger at the side of the cover portion that is hinged to the body portion.

(Testimony of Irving C. Roemer.)

Q. "and a garment-supporting means removably carried by the hinged side of said supporting member"—

A. The garment-supporting means again in this case is in the form of a garment hanger which may be taken out and over which a garment may be draped preparatory to placing it in the luggage.

[270]

Q. In addition to the elements which I have called your attention to recited in Claim 4, Claim 10 includes: "Means for retaining said supporting member in packed position in said cover with said garments supported in parallel relationship to the normal carrying position of said luggage." Will you please refer to Plaintiff's Exhibit 7, the Koch structure, and point out the means responding to this element of Claim 10 which I have read?

A. The packed position of the garment-supporting member is within the cover, and in order that it is retained within the cover—

The Court (Interrupting): Independent entirely of the body?

A. Independent entirely. These stays on the side out here are not a part of the garment arrangement. They prevent the cover from falling back; hold it in its open position. It is retained in this position first by little mechanical snaps on the inside of the cover that hold it there, and, secondly, by a curtain which hangs over the front of the open cover and which has snaps adapted to retain the entire structure within the cover.

(Testimony of Irving C. Roemer.)

There is also reference to the position of carriage of the garments. The garments are draped over the outer edge of this frame or garment-supporting member. They are draped over this frame in such a manner that they are carried in an upright position. As I close the luggage it will leave that frame with its bar in an upright position so that it may be seen that the handle of the luggage is at the same end that that bar is. Consequently, garments draped over that bar are draped parallel to the normal carrying position of the luggage.

Mr. Morsell: Q. I now direct your attention to Plaintiff's Exhibit 8, the alleged infringing structure in the action against Silverman, et al, and will ask if you find means corresponding [271] to the quoted means in Claim 10 in this structure?

A. In Exhibit 8 the frame likewise folds to within the cover and is held in place therein by mechanical snaps. There is also a curtain which comes in front of the cover and straps which fasten in front of the curtain in order to retain the garment-supporting member in its position within the cover.

Again, in this case the supporting member has its bar over which the garments are folded at the top of the luggage, and when the luggage is closed the garments are carried in parallel relationship to the carrying position of the luggage.

Q. I now direct your attention to Plaintiff's Exhibit 6, the hand luggage case for ladies' garments

(Testimony of Irving C. Roemer.)

manufactured by one of the plaintiff's licensees, and would ask you to demonstrate to the Court the manner in which the fixture in this case is to be loaded with a lady's dress, for instance.

A. When it is desired to place a garment in the garment fixture of this luggage the hanger is removed and the garment placed over the hanger. This hanger or removable rod is then put in place on the garment-supporting member so that the garment is draped in a natural position over the outer or folded edge of the garment. In this position the garment can be straightened or arranged, the ruffles or pleats, or whatever might need arrangement could be attended to. Then as the supporting member is moved to its carrying position within the cover of the luggage it serves not only to store the garment in its proper position, but it serves to place a secondary fold in the garment, which automatically folds the garment and causes the garment naturally to drape over the folded edge on its outside so that the garment, when carried in the luggage, is always carried in a naturally draped condition, and has no tendency to slide to one side or to another, or to gravitate toward [272] the bottom of the cover.

The entire fixture with the garment thereon is retained within the cover portion and entirely within the cover portion of the luggage in this case with a curtain which is posed over the open side of the cover portion.

(Testimony of Irving C. Roemer.)

Q. Does that arrangement leave the body section of the cover entirely free and accessible for——

A. Yes, other articles of clothing can be placed in the case, which is so far perfectly free of any obstruction.

Q. Now, please take Plaintiff's Exhibit 7, the alleged infringing structure of the Silvermans, et al, and demonstrate the manner in which the fixture in this case functions and operates in the packing of a lady's dress?

Mr. White: Could I ask a question for the record? Exhibit 7 is not the Silverman structure.

Mr. Morsell: I beg your pardon. It is the Koch, et al structure.

A. In Exhibit 7 the garment is placed in the luggage,——

Mr. Trabucco: If the Court please, this testimony is given by the witness to show the applicability of the device of Silverman with reference to the patent. He is not demonstrating the way the manufacturer intends it to be used, and I suggest that that be done if a demonstration is to be made with respect to this particular device.

The Court: Well, let him put on his own demonstration. You may have equal opportunity.

A. A garment is hung over the bar or the hanger, and may be placed in the luggage in the same manner and attached to its support on the garment-supporting member, after which that member may be folded up into the cover of the suitcase,

(Testimony of Irving C. Roemer.)

where it is retained by the mechanical snaps and by the curtain which comes down and fastens in [273] front of it, so that the same result is obtained as was obtained in the last exhibit that I demonstrated.

Mr. Morsell: Q. Do you find that in Plaintiff's Exhibit 7 the garment is carried in precisely the same relationship within the cover section of the case as in the arrangement on Plaintiff's Exhibit 9, and also Plaintiff's Exhibit 6?

A. Yes. The garment-supporting edge, or folding edge of the garment-supporting member is at the upper or, you might say, the handle side of the luggage, so when this luggage is being carried the garment is draped downwardly into the member, or into the edge of the supporting frame.

Q. In packed position is the entire fixture with the garment thereon lodged within the cover of the case?

A. Yes, it is, leaving the body of the case empty for the reception of other articles.

Q. I now direct your attention to Plaintiff's Exhibit 8, the alleged infringing luggage case manufactured by the Silvermans, et al, and will ask you to kindly show the manner of loading and packing the fixture in this case.

A. In placing a garment in this case the supporting frame is lowered and one of the hangers is removed from the frame and the garment draped over that hanger. This hanger member then is

(Testimony of Irving C. Roemer.)

placed in the frame in the same position and in the same manner as in the other cases, so that the garment is draped in a horizontal position over the supporting frame and then by swinging the supporting frame to its position within the cover its folding edge engages beneath the garment and folds it in the same manner, so the garment and the fixture are entirely contained within the cover member, and so that in carrying the luggage the garment is draped in a position parallel to the carrying portion of the luggage, and leaving the body member of the luggage free for reception of other articles. [274]

Q. With respect to these alleged infringing structures, Exhibits of the Plaintiff 7 and 8, I note that the frame member in each instance is of composite construction; that is to say, there is an additional frame element which may be pivoted from a horizontal position to a vertical position.

The Court: Pardon me. Can the garment be taken out at the other end?

Mr. Morsell: Oh, yes.

The Court: Just put that back where it was, the last hanger. No, no; the last slot in that hanger. May it be taken out here, this way?

Mr. Morsell: No. They come out forwardly.

The Court: All of them?

Mr. Morsell: Either forwardly or upwardly. The latches, here, release that.

The Court: You can't release one out there.

(Testimony of Irving C. Roemer.)

Mr. Morsell: Not rearwardly, no.

The Court: Well, there is a suggestion for you. Can you see the value of that?

(Discussion off the record.)

Mr. Morsell: Q. Have you any comments to make with reference to this added or auxiliary frame member and comments as to an alternative way of packing?

A. The purpose of that auxiliary frame member is to enable it to be swung to a vertical position for packing and unpacking, so that if preferred the garment may be hung in a vertical position during the packing. A garment placed in this case according to this method and using this auxiliary member in its vertical position is first draped over the hanger bar and then placed in position with the other hanger bars, and must then be first swung to the position where it was, as I designated it a moment ago, [275] so that the hanger bars are carried adjacent the hinged connection between this frame member and the cover. This is a feature entirely additional to the other features, and, according to my first demonstration, it is seen that the fixture may be used in either way. If it is preferred to use it in a vertical position, or if it is convenient to use it in a vertical position, it may be done so. If it is preferred to use it in its horizontal position it may be used in that way. This hinged frame is a portion of—this auxiliary frame is a portion of the frame which supports the garment and which sup-

(Testimony of Irving C. Roemer.)

ports the garment in exactly the same manner in either event regardless of how the garment is packed in the luggage, and it must at one time be in the position I am illustrating now; that is, by the main supporting frame in a horizontal position so that when that frame is raised to its packed position within the cover it folds and stores the garment.

I might say the same is also true of the structure of Exhibit 7, which also provides auxiliary arms or means by which the garment-supporting means, or garment hangers may be raised to a vertical position for use.

In this case also the garment is placed on the bar in this vertical position if desired, where after it must be returned to its horizontal position, and whereafter the main supporting frame, the important part of the structure, must be used in the way that is taught by the Shoemaker patent to raise and store and pack the garment all in one operation.

Q. After a garment has been engaged on the frame of either Plaintiff's Exhibit 7 or 8 and the frames are moved to the folding position shown, do the extension devices have any utility, or are they of any consequence?

A. No. In their present position they are simply bars which are parallel to the sides of the supporting [276] frame and so arranged with respect thereto that they don't even lend strength to the frame.

(Testimony of Irving C. Roemer.)

Q. In Plaintiff's Exhibit 7, for instance, I notice the extension frame, the side arm carries a pair of lugs. What is the purpose of those lugs?

A. Those lugs engage over the side arms, or the main frame, so that when it is in its folded position the arms of the auxiliary frame and the arms of the main frame become one. They move as a unit.

Q. When the frame is packed and moved into the cover section of the case is the relationship of the frame the same as that of the Shoemaker patent?

A. Exactly the same.

Q. In Plaintiff's Exhibit 8 I note that the main frame section has a downward off-set transverse bar in its inner end, and when the auxiliary section is moved to its horizontal folded position it rests on this transverse bar and is supported thereby. What is the function of that bar, in your opinion?

A. The function of that bar is to stop the movement of the auxiliary frame at a point where the arms of the auxiliary frame become one with the arms of the main frame. Here, again, the auxiliary arms and the main arms come together and function as a single arm. There is no added function in this use of the device gained by the use of the auxiliary arms.

Q. Now, assume that either Plaintiff's Exhibit 7 or Plaintiff's Exhibit 8 is to be packed in confined, cramped quarters, such as berth of a Pullman, where there is no vertical drop or supporting surface available. How would be the convenient and

(Testimony of Irving C. Roemer.)

practical way of loading the case in that instance?

A. Well, it seems necessary, in order to use these auxiliary arms, that the luggage be placed in such a position that there is a drop, that it must be placed on the edge of a table or something to give a drop for the garment, particularly if it happens to be a [277] long garment, a space to hang itself, because if quarters are cramped or if it is not convenient to place the luggage so that a drop is provided, such as if it had to be placed on the floor, or on a bed where the drop there is not convenient, it would be of no value, and probably detrimental, to use the auxiliary arms because in draping the garment in position to be folded it would be wrinkled and mussed rather than folded in a convenient manner.

Naturally, if there is no drop in front of the suitcase the fixture wouldn't be used with the auxiliary arms in their lowered position so the garment could be conveniently draped over the folding member, the folding frame or supporting frame. The garment assumes a very natural position on being placed that way and may be conveniently arranged as to tucks and pleats and one thing and another, and is in such a position that it is automatically folded and stored by movement of the supporting frame to its packed position within the cover member.

Q. Do you find in the Shoemaker patent in suit any support in the disclosures therein for the theory that the garment-packing fixture may include a

(Testimony of Irving C. Roemer.)

plurality of garment bars, or supporting means to pack several dresses or garments?

A. Yes. The Shoemaker patent specifically refers to the use of more than one such garment-supporting bars. I call attention to page 3 of the patent wherein, beginning line 36, the patentee says:

“The stud 37 may be of such proportion as to accommodate and support a plurality of hanger rods 36.” The hanger rods referred to are those in the patent that are equivalent to the plurality of hanger bars in these various models.

Q. I will ask you to refer to the last paragraph on page 1 of the specification of the Shoemaker patent and state whether or not you find any reference there to a packing of a plural number of [278] garments.

A. Yes. In that the patentee says the supporting member or members are adapted to have carried thereon one or more removable hanger rods over which the garments may be folded.

Q. I now direct your attention to Plaintiff's Exhibit 5, an embodiment of the Shoemaker invention in a form for packing men's garments, as manufactured by one of the plaintiff's licensees. Will you kindly demonstrate the manner in which this fixture functions?

A. This fixture, like those previously referred to, has a garment-supporting member hinged within the cover member of the luggage and having a folding edge that is outside, and has a garment-support-

(Testimony of Irving C. Roemer.)

ing means or hanger, one or more of which may be secured relative to the inner or hinged edge of the garment-supporting member. In packing men's garments, for example, a man's sack coat, the garment is placed on the hanger member in much the same manner as a coat is placed on an ordinary clothes-closet hanger, and the hanger member is secured to the garment-supporting member, and overlies the body of the case or luggage in a horizontal position, where it may be arranged in any desired manner. Then the garment-supporting member is folded to its packed position within the cover, and in being so folded gives the secondary fold to the garment, so the garment is retained entirely within the cover member of the luggage, and in such position that it is carried parallel to the carrying portion of the luggage. The garment and the fixture are retained in this position by a curtain which comes up in front of them and is snapped in place. They are also retained in this position again by mechanical snaps within the cover portion of the case.

The Court: How many suits can you put in there?

A. This is designed—this compartment within the case, or the luggage, is designed for one suit. That is a question of size and space, and the number of hanger bars for the suit. [279]

Q. What is the advantage of putting a suit in a case of that kind? Is it to obviate the necessity of getting it pressed when you get to the end of the line?

(Testimony of Irving C. Roemer.)

A. I believe that is supposed to be the purpose.

Q. Well, after taking a trip from here to Chicago, for example, would you be ready to wear a suit pulled out of this suitcase?

A. I believe perhaps counsel could answer that better than I.

Mr. Morsell: Your Honor, if you would let me make the observation, I have used a case of that kind on a number of trips and it is astonishing the condition the suit is in at your destination; it can be taken out wrinkle-free and ready for wear.

(Discussion off record.)

Mr. Morsell: Q. Mr. Roemer, what is the hinged side of the cover in these various pieces of luggage, and also in the Shoemaker patent?

A. The hinged side of the cover is this portion of the cover near the place where this cover is hinged to the body member of the luggage. I should say this is the hinged side of the cover, this the free side, and any place in between here might be the central portion of the cover. I don't think the hinged side of the cover is in any way limited by the patent or by the general meaning of the term "hinged side" to any specific panel or part of the case.

Q. The term "hinged side of the cover" doesn't in your estimation refer to any specific wall of the cover?

A. Indeed, it doesn't. It just refers to one general side of the cover.

(Testimony of Irving C. Roemer.)

Q. Is it a relative term distinguishing one particular end of the cover as with relation to the free end of the cover?

A. Yes, it is. It is used to designate the general position within the cover.

Q. I would like to read a portion of paragraph 3 on page 1 of the [280] Shoemaker specification and would ask whether this statement bears out your theory:

“A further object of my invention is to provide a supporting member which is hingedly mounted relative to the hinged side of the cover portion of the luggage.”

A. “Relative to” in that sense means in the neighborhood of.

Q. Would you say the patentee intended to be restricted to any particular wall of the cover?

A. No. As a matter of fact, I am quite sure he did not.

Mr. Morsell: That completes my direct examination of Mr. Roemer. I wish to reserve the right to recall him in rebuttal if necessary.

Cross Examination

Mr. Trabucco: Q. Mr. Roemer, in discussing the various parts of the cover of the suitcase isn't it a fact that these two sides are the opposite side walls of the suitcase, of the cover, rather, and this is the top side, and this is the hinged side which join the ends of the opposite side walls?

(Testimony of Irving C. Roemer.)

A. They might be referred to in that way very logically, yes.

Q. Doesn't the patentee specifically point out that the lower side of the cover is the hinged side?

A. I should say it is not. The patent doesn't so restrict itself. It shows various types of hinges, the various points of hinged connections which would very clearly indicate that he did not mean specifically that the hinges must be screwed to a certain panel or side of the cover member.

Q. Referring to page 2 of the patent, line 20, I will read to you this part of the specification:

"I prefer to have the side portions cut away as illustrated. 14 illustrates L-shaped hinge plates, one portion of which is suitably riveted flat against the inner face of the lower side of the [281] cover 10."

Do you recall what that structure refers to? That description refers, does it not, in describing the hinging of the garment-supporting member 12 to the hinged side of the cover?

A. Yes, that is correct.

Q. Doesn't the patentee there differentiate between the various sides of the cover throughout the patent? A. Not throughout the patent, no.

Q. Are you familiar with the File Wrapper of the Shoemaker patent?

A. I have read the File Wrapper.

Q. Do you recall having seen in the File Wrapper an argument by the applicant wherein a discussion was had with the Examiner relative to the

(Testimony of Irving C. Roemer.)

word "relative"? Do you recall where the Examiner rejected claims which placed the hinging of the cover relative to the hinged side of the cover?

A. I wouldn't say that I recall it specifically to testify about it without some reference to it.

Q. Do you recall the patentee, the applicant during the pendency of the application having restricted certain claims after an objection had been made by the Examiner?

A. I recall only very generally. It is a few days since I read it.

Q. And, as a matter of fact, the applicant did recognize the difference between hinging the garment-supporting member to the hinged side of the cover and to the opposite side wall, did he not?

A. I wouldn't say that without very careful reference, again, to the File Wrapper, because possibly that may have been done for another purpose.

Q. Do you recall that the word "relative" was removed from certain of the claim after the objection of the Examiner?

A. I recall that yes.

[282]

Q. Then is it not a fact that the patentee recognized that there was a substantial difference between hinging the garment-supporting member to the hinged side of the cover and to the opposite side wall of the cover?

A. No. That doesn't follow as a fact. It is my recollection—of course, I am testifying without that before me—to my recollection that was done for

(Testimony of Irving C. Roemer.)

some such reason as to distinguish from the art where the hinged connection was made between another part of the luggage, and was not made with any part of the cover at all; it was made near the cover, but not with any part.

Q. I refer to the official letter dated July 29, 1929, and I call your attention to the fact part of the letter contains the following on page 1 wherein the Examiner states:

“In Claims 1 to 4, 6, 8, 9, 10, 11, line 3, ‘relative’ is ambiguous and should be canceled.”

Then in response to that official letter the applicant states on page 24 of the file history, page 23 of the file history, he cancels from claim 11, line 3, the word “relative”, and thereby followed the rejection, or answered the rejection of the Examiner. Do you recall such a procedure during the prosecution of the application having been recorded in the File Wrapper?

A. You are reading those statements from the File Wrapper. I don't deny them, but I think it insufficient to read such short statements from such a voluminous document. I think the entire document would have to be examined to determine what was meant by that. I think the patent, itself, and the whole theory of the patent, the operation is such that it is obvious that no particular panel or part of the cover member must be considered as a hinged portion thereof.

Q. Do you find on page 24 of the File History the following:

(Testimony of Irving C. Roemer.)

“I have gone slightly further in making the amendment there suggested in that I am inserting in most of the claims that the [283] supporting member is hingedly connected at the opposite ends to the hinged side of the cover.”

Doesn't that definitely refer to the hinged side of the cover as being the part of the cover on which the garment-supporting member is hinged?

A. Yes, if I understand your question; but it doesn't mean to me that the hinges are actually fastened to a particular part of the cover as long as they are fastened to the hinged portion of the cover, which is that portion of the cover adjacent the hinge.

Q. Speaking of the claims, do you find any of these claims where the garment-supporting member is fixed to the opposite side walls of the cover rather than to the hinged side?

A. I think—did you say “speaking of the claims”?

Q. Yes. Referring directly to Claim 4, I will read this:

“A garment-supporting member hingedly connected to the hinged side of said cover portion.”

Isn't that a definite limitation?

A. Yes, it is a definite limitation.

Q. Don't you find that same limitation in all of the claims relied upon by the plaintiff?

A. That limitation, or one like it, yes, but I don't mean by my answer “Yes” that I think that

(Testimony of Irving C. Roemer.)

hinged side of the cover portion means a specific panel, a very small area of the cover portion. The hinged side, I think, is any portion of the cover which is adjacent.

Q. Have you made a study of the prior art in this suit? A. Yes, I examined the patents.

Q. Will you say the Shoemaker patent is entitled to a broad or a narrow construction?

A. I think it is entitled to a very broad construction in so far as its claims go. The claims, themselves, are rather narrow. It is not a broad patent as we sometimes [284] speak of them. It is not the first disclosure of means for packing luggage, packing garments within a suitcase, or within the cover of a suitcase, but it packs the garment in a certain way, and in packing the garment in that way I think the claims cover it in a very broad manner.

Q. You were describing to the Court the manner in which garments are packed in suitcases of this type. In the prior art isn't it the common practice to support garments in the manner you have designated here? A. I should say not.

Mr. Morsell: Your Honor, I don't think it is proper to ask this witness questions in regard to the prior art. The prior art has not been introduced in evidence yet, and there has been no discussion of the prior art.

The Court: Well, I usually allow a broad latitude.

(Testimony of Irving C. Roemer.)

Mr. Morsell: Well, it seems to me the introduction of the prior art—

Mr. Trabucco: I will withdraw the question. As a matter of fact, the prior art will speak for itself.

Mr. Morsell: Yes.

Mr. Trabucco: During the taking of the depositions in this case in Milwaukee the patentee, Shoemaker, at page 41, was asked these questions and gave the following answers:

“Q. Did it make any difference whether the fixture, as you call it, is pivoted or is to be pivoted to the hinged wall of the cover or to the side walls?

A. For purposes of construction we favored the hinged side as being more practical.

“Q. Why was it more practical?

“A. Because it was more adaptable to different constructions of luggage cases.

“Q. Clothing less likely to catch?

“A. No. The construction I refer to was the matter of the box, the foundation of the case, itself, [285] and how it was adapted to have a fixture fastened to it.

“Q. Explain that a little further, as to just why you chose the hinged side of the cover.

“A. Well, the base could be made of a material like wood and the rest might be soft leather.

“Q. You mean the base of the cover?

“A. I mean—yes, the hinged side of the cover.

“Q. You refer to the hinged side of the cover as the base? A. Yes.

(Testimony of Irving C. Roemer.)

“Q. And that was quite common, was it, to have the hinged side of wood and the other sides of leather? A. It is even to-day.”

Now, do you agree with the patentee in these statements and the answers?

A. Yes. I am not in a position to contradict anything that he said. He used terms referring to certain parts—there are certain discussions, it seems to me, in those conversations that it shows that a particular hinge is not the concern of this patent, at all, that the concern of this patent is hinging this supporting frame to swing from a point, from a general point within the cover member, and I think the things you have just read there demonstrate that, and I agree with what was said about the type of hinge being determined by convenience in the particular case. In one type of construction it will be hinged to one part of the cover, in another type of construction it may be hinged to another part, as convenient.

Q. Do you mean to say when a patent is limited in a certain regard you can go beyond those limitations to include structures, for example, that are shown in the prior art?

A. Not if the patent is limited, no.

Q. You are familiar with the prior art, are you not, in this particular case? You know what the prior art is? A. I have read the patents, yes.

Q. You still testify that the Shoemaker patent is entitled to a broad construction? A. Yes.

(Testimony of Irving C. Roemer.)

Q. Notwithstanding the fact that the inventor, himself, testified that he meant by hinging the garment-supporting member to the cover that it should be hinged to the hinged side of the cover, you claim that the patent should be broadly interpreted notwithstanding the acknowledged limitation of Shoemaker, is that correct?

A. I did not say what you said. I don't contradict what Mr. Shoemaker said in his testimony, but I don't say that he said what you have said that he said. I am taking what he said to be what you read from his testimony in the deposition.

Q. I will ask you to make another demonstration with reference to Plaintiff's Exhibit No. 8. You are familiar with suitcases of this type, of course, and you know the natural, or the loading position of these suitcases, do you not?

A. I believe I do, yes.

Q. Will you extend the device to a loading position?

A. You mean to bring the fixture from its packed position to its horizontal position?

Q. Yes. I mean to its loading position.

A. The loading position of this device may be, as I previously demonstrated, the horizontal position over the body of the luggage, that is, as taught by the Shoemaker patent, or it may be in a position with the auxiliary frame brought up to a vertical position.

(Testimony of Irving C. Roemer.)

Q. Is it not a fact that this is the loading position of this particular fixture, rather than one in which the garment-supporting means are located near the cover side?

A. Well, I don't mean to quibble over terms but I think either can be considered the loading position. It may be very conveniently loaded in either position.

Q. In this particular structure do you find the garment-supporting member hinged to the inside hinged side of the cover, or to the opposite side wall of the cover?

A. I think they are one and [287] the same thing, those side walls—

Q. I ask you a definite question, Please answer it.

The Court: Read the question.

(Question read.)

A. I thought it hinged to both.

Mr. Trabucco: Q. Is it not a fact that these two sides are the opposite side walls of the cover?

A. That is what I would call them, yes.

Q. Isn't it a fact this garment-supporting member is hinged to those two opposite sides to the cover?

A. Yes, at the hinged side of those sides.

The Court: Just a minute. "At the hinged side." What is the hinged side? I want to develop this, myself. What is the hinged side of that cover?

(Testimony of Irving C. Roemer.)

A. I have said that I believe that the hinged side of this cover are those portions of this cover down in here.

The Court: Well, I would say that was it. If I am in error correct me. That is the hinged side of that cover.

The Witness: Well——

The Court: I have nothing in mind at all in this case but I want——

The Witness: I would like to correct you on that.

The Court: Certainly.

The Witness: The patent shows brackets of this sort, I mean frame members of this sort hinged. In some cases the patent shows little hinges, little box hinges that are screwed into this particular portion. In other cases the patent shows hinged connections between the inside of these frame members and these parts referred to, side walls of the cover. The thought of the patent is that this be hinged in this general position down here, so that [288] when the frame is swung to its closed position the free side of the frame is up——

The Court: Well, I would say that was hinged on the side wall. Now, correct that statement.

A. It is hinged on the side wall at the hinged side thereof.

The Court: At the hinged side thereof.

A. Yes.

(Testimony of Irving C. Roemer.)

Q. What is the importance of "the hinged side thereof"? A. It might be—

Q. Not what it might be. I want to have you define that statement. Why do you add that?

A. We know that this is the side wall. If this is hinged to the hinged side wall and we drop it after that the hinge might be here, that would defeat the purpose of the patent. The hinge might be here. The device would be useless for the purpose of the patent. It must be hinged.

Q. We are talking about this cover.

A. Yes, where they are hinged. They are hinged right here.

Q. That is the side wall.

A. This side wall—in order to determine where they are hinged, in order for me to tell you where they are hinged without showing you I have to say where, I have to say this is the free end of the side wall, this is the hinged side of the side wall, this is the intermediate portion.

Q. That is the reason you add "the hinged side"? A. "Of the side wall," yes.

The Court: That's all right.

Mr. Trabucco: Q. Mr. Roemer, why would the patentee say in his claim "hinged on," or "hinged to the hinged side of the cover" rather than say "hinged to the cover"? Isn't there some reason why he did that? A. Yes.

Q. Why? A. Because I believe—

Q. Why?

(Testimony of Irving C. Roemer.)

A. Because he wanted to show, he felt he must say because [289] of the insistence of the Examiner in the patent office, because of the prior art, he must show a full and show the real value of this invention where it was hinged.

Q. Then, as a matter of fact, he must have limited the patent in view of the prior art and in view of the objection of the Examiner?

A. Why, of course. I believe I read very few patents where that has not been done.

Q. Then you must admit there is that definite limitation in these claims.

A. Of course I admit that, but I don't want you to misinterpret my admission.

Q. Is it not a fact the applicant, during the prosecution of the application, purposely limited the scope of the claims by providing that the garment-supporting member was hinged to the inside hinged side of the cover?

A. I think he did purposely do so, but I would like to finish my statement without interruption.

Q. Yes.

A. The claims are very definitely limited, I feel, to the hinged structure being shown in this side of the cover member, being in the hinged side as distinguished from the top side. I think the patentee is not attempting, or did not intend to claim a frame that was hinged out at its upper end, or at the free end of the cover member. To that extent I believe the claims are limited.

(Testimony of Irving C. Roemer.)

Q. You understand, Mr. Roemer, the claims of a patent define the metes and bounds of the patent monopoly, you understand that? A. Yes.

Q. You understand——

A. I believe I understand that.

Q. You understand the public is made acquainted with the prior art and what the extent of the invention is, how far they can hope to go in the way of manufacturing the devices in accordance, or similar to a patent, and you understand, of course, the claims define the [290] limitation of a particular invention; is that not so?

A. I believe that is the case.

Q. Then, as a matter of fact, the patentee in this particular instance has defined his invention and has provided a limitation on the scope of that invention to a device where the garment-supporting member is hinged to the hinged side of the cover; is that not true?

A. I think that is correct, yes.

Q. Referring now to Claim 4, being one of the several that are relied upon——

The Court: We will take a recess for a few minutes.

(After recess:)

Mr. Trabucco: Q. Mr. Roemer, you are familiar with the file history, aren't you, in connection with the Shoemaker patent application?

A. I have read the file history.

(Testimony of Irving C. Roemer.)

Q. Do you recall an interference was declared between the Shoemaker application and Wheary?

A. Yes, and several others, I believe.

Q. Are you familiar with the claims that were involved in that interference?

A. I have read the claims, but I am not familiar with them off-hand.

Q. Do you recall whether or not there were any limitations in the claims in connection with the hinging of the garment-supporting member to the hinged side of the cover?

A. I don't recall that off-hand.

Q. If I read one claim to you would you then be able to determine whether or not such a limitation was in the claim?

A. I will try to.

Q. I will read No. 13 (reading claim No. 13). Do you find in this claim any such limitation?

A. As I understand that claim it doesn't say that the garment-carrying frame is pivoted to the cover member at any place. [291]

Q. Is it not a fact that in this interference proceeding priority was awarded to Wheary over the Shoemaker application?

A. I believe it was.

Q. Then, as a matter of fact, if Shoemaker was entitled to a broader construction of his claims he no doubt would have had such broader claims in his application; is that not true?

A. I don't quite follow that as necessarily true.

Q. In making your demonstration, Mr. Roemer, you demonstrated the device in this particular position, did you not?

A. Yes.

(Testimony of Irving C. Roemer.)

Q. In this position the garment-supporting means is positioned near the hinge of the cover; that is true? A. Yes.

Q. But in this position where do you find the garment-supporting means; assuming these members are the garment-supporting means where do you find them? Are they adjacent the hinged side of the cover? A. No.

Q. Is that the loading position of the device?

A. That is one of the loading positions.

Q. Then, as a matter of fact, the claims of the patent in suit do not read on this structure at all times; is that not true?

A. Well, I feel they do.

Q. I will ask you to read No. 4, when the device is in this position, and see whether or not they do. I will read it to you:

“Luggage, comprising a body portion; a cover portion hingedly connected to said body portion; a garment-supporting member hingedly connected to the hinged side of said cover portion and a garment-supporting means removably carried by the hinged side of said supporting member.” Where do you find the garment-supporting member hingedly connected to the hinged side of the cover portion? Will you kindly point that out to the Court, please?

A. The garment-supporting member [292] is this frame which is hingedly connected to the hinged side of the cover portion.

(Testimony of Irving C. Roemer.)

Q. What do you mean by "garment-supporting member"? Merely this part of the device, the two side bars? A. Yes.

Q. What do you call the upstanding part of the device?

A. That is an auxiliary portion of the garment-supporting member.

Q. Do you find in the Shoemaker exemplification any such dual construction?

A. Do you refer to one of the exhibits, or to the patent?

Q. Well, particularly to Fig. 1 of the patent. Where do you find any hingedly connected section such as you have in defendant's structure?

A. There are no such members shown in Fig. 1 of the Shoemaker patent.

Q. How can you say that defendant's structure is made in accordance with the showing of the Shoemaker patent when there is not such dual construction in the Shoemaker patent?

A. I have said that it is made in accordance with the teaching of the Shoemaker patent and that there are added parts, there are parts added to the teaching of the Shoemaker patent where Shoemaker doesn't show these bars; he doesn't show the idea of loading in this position.

Q. Do you find any difference in the operation of this device and that of Shoemaker?

A. No. It has no material difference in the operation of the device, whatsoever. When the

(Testimony of Irving C. Roemer.)

auxiliary arms are used it is loaded in a different position. The garments are first placed in a different position when it is used in this particular way.

Q. Isn't it a fact that during the initial loading of the device garments are supported on a garment-supporting member such as in this manner and then this auxiliary frame that you speak of is partially rotated preparatory to placing things into the suitcase, [293] and the entire device is then partially rotated again to bring it into the cover of the suitcase; isn't that also true?

A. It may be loaded in that manner, yes.

Q. In the Shoemaker patent do you find any such action as that? Is it not a fact that you have the one partial rotation of the garment-supporting member?

A. That is correct.

Q. And there is such a decided difference, is there not, in the operation of the two devices—

A. Yes, there is a decided difference in the operation of the Shoemaker device and the device of Exhibit 8 when the auxiliary arms are used.

Q. Isn't it a fact the auxiliary arms are used in the manner demonstrated in most of them equipment, or almost all that use such a cover?

A. Well, I couldn't testify to that. I don't think anybody would be able to testify to that.

Q. Again referring to Plaintiff's Exhibit No. 8 in an extended position, I will ask this: where do you find that clothes supporting means carried by

(Testimony of Irving C. Roemer.)

the side wall of the garment-supporting member?
This entire structure is the garment-supporting member, is that not true? A. Yes.

Q. According to your interpretation?

A. Yes.

Q. Where is the hinged side of it?

A. The hinged side of that member is the side at which it is connected to the cover.

Q. After it is in an unpacked position demonstrate to the court.

A. The hinged side of the garment-supporting member is still at a place where I pointed, within the cover.

Q. Reading the claim again: "A garment-supporting means removably carried by the hinged side of said supporting member." Where do you find the garment-supporting means carried by the hinged side of the garment-supporting member"?

A. I find that right here. These bars, here, these four bars are the garment-supporting means [294] and they are carried most of the time by the hinged side, even if you are going to use these auxiliary arms and swing them out from the cover, they are carried at the hinged side of the garment-supporting member. Here is the garment-supporting member. I have my hand on its free side. The inner side is the hinged side. These bars are at the inner side at the hinged side.

Q. In an extended position is it not a fact that these garment-supporting means are carried by this

(Testimony of Irving C. Roemer.)

auxiliary frame and the supporting bars of this entire structure are carried by two brackets on the body of the case rather than by the hinged side of the garment-supporting member; is that not true?

A. Well, yes, of course, they are still indirectly——

Q. You say——

Mr. Hursh: May it please the Court, I would like to have Mr. Trabucco allow Mr. Roemer to finish his answers. A number of times he has interrupted Mr. Roemer in the middle of the answer and has not allowed him to explain. Mr. Roemer would like to explain his answers. I think it only fair to the witness to permit him to fully explain the answers he has given.

Mr. Trabucco: I will try to let him explain.

The Court: Very well.

The Witness: I was just answering the question as to the support of these members. They are still indirectly supported by the hinged side. Of course, they may be moved away from a member and be taken completely off. They are removable members. They get their main support right here, the supporting members at the hinged side of the garment-supporting member. It is their normal position.

Mr. Trabucco: Q. You were speaking of indirect supporting of the hinged side of the cover. What do you mean by "indirect"? [295]

A. By "indirectly" I mean that they are still connected with it. When the auxiliary arms have

(Testimony of Irving C. Roemer.)

been swung to this position there has been no break in the connection. The arms are in turn supported by the frame member. Those arms are a part of the frame member. They just swing from one position to another on the frame member. If you were to put it in this position and then take the frame member away they would fall on the floor, so they are indirectly supported by that member. They depend on that member for their support.

Q. Are they carried by the hinged portion of the garment-supporting member as called for on the claims? A. Yes, I think they are.

Q. When in that position, a folded position, do you find that the garment-supporting means, namely, these hanger rods, are removably carried by the hinged side of the garment-supporting member of the hinged side of the garment-supporting member? A. Yes.

Q. Is it not a fact they are suspended from the pivotal end at the outer or the opposite end of the garment-supporting member?

A. Yes, but this is not the garment-supporting member in this position. There is no function to these arms in this position, in the normal position, unless it is desired to move them up to a vertical loading position. It is all the garment-supporting member. This is the hinged side of the garment-supporting member, and there they are.

Q. This device is not made in accordance with the teaching of the Shoemaker patent, though, is it? Shoemaker doesn't show the two sections, hinged

(Testimony of Irving C. Roemer.)

members, one carrying a number of garment-supporting members and the other pivoted section hinged to the opposite side of the cover?

A. He shows some of those things, others I believe he doesn't show, but the Shoemaker patent, like any patent, is an expression of a typical form and the commercial forms of inventions very clearly vary in mechanical detail. I think Shoe- [296] maker shows substantially everything of importance in this particular structure here with the exception of the auxiliary arms.

Q. Shoemaker shows about ten different modifications in his patent, or at least seven or eight modifications; isn't that true?—different structures in which the structure differs slightly.

A. Yes, a great many.

Q. Does he in any of his modifications show a structure such as to be used—

A. You mean does Shoemaker show a structure where the loading is in this position of Defendant's device?

Q. Yes, either in connection with the loading of the device or in regard to the structure, itself.

A. Yes. Shoemaker shows a modification to provide for loading in the same position as loading is accomplished in this Exhibit 8.

Q. What claims would you say read on that particular structure?

A. I am not prepared to say off-hand.

Q. Is it not a fact that none of the claims read on that structure?

(Testimony of Irving C. Roemer.)

A. I don't know off-hand. I will have to read the claims again before I can answer that question positively.

Q. When the device is in a partially folded position the purpose first of all, of these multiple hangers, is to hang a number of different garments. Is that not correct?

A. Yes, a hanger for each garment.

Q. In this position, when one of the hangers can be taken off individually, is that not true, without disturbing the others; for instance, the outer one can be removed very readily and the inner one without disturbing any of the others?

A. I rather doubt that would be practical. I can see where it would be possible to remove a hanger, a garment.

Q. Isn't it a fact you can remove any one of these hanger rods without disturbing any of the others? A. No. [297]

Q. Well, do you find that same condition in the device when it is folded, in a partially folded position? Can you, for instance, remove the inner garment without disturbing those on top of it?

A. Well, I have never tried to do so. It never seemed desirable to me. I think it can be. I have taken the inner garment member off without taking the top one off.

Q. Suppose the garment-supporting members, or garment-supporting means, rather, the hanger rods were fully loaded; that is, suppose garments were

(Testimony of Irving C. Roemer.)

packed on those devices. How, for instance, would you remove the inner one when the others overlying that inner one had garments on them?

A. It wouldn't be practical either in this position or in the upright position.

Q. It wouldn't be practical in the partially-folded position, that is true, is it not?

A. I think not.

Q. But it would be in the upright position. Isn't that what the maker of these devices claims, that the garments can be readily removed without disturbing any of the others?

A. It may be possible in some cases, depending upon the garment, but I rather think it would be a very awkward operation and not practical. The garments would certainly be disturbed and mussed up to a great degree.

The Court: You are thinking about silks, I suppose.

A. Yes. If it were very fine garments, very small garments, they could be slipped out of there.

Mr. Trabucco: They would have to be silk garments, though. Q. You spoke of the cross bar being for the purpose of permitting the entire device to fold as a unit, this cross bar which is fastened to the hinged part of the garment-supporting member. Is it not a fact that the other part of the garment-supporting member may operate freely with respect to the hinged part of the garment-supporting member irrespective of this bar?

(Testimony of Irving C. Roemer.)

A. Yes. It swings [298] up, swings in one direction. The auxiliary bar swings in one direction regardless of that bar.

Mr. Trabucco: That is all for Mr. Roemer.

Mr. White: If your Honor please, I would like to ask just a few questions.

Q. If I understand you, Mr. Roemer, you base your opinion that Plaintiff's Exhibit 7 and Plaintiff's Exhibit 8, the luggage, are within the scope of the Shoemaker patent claims sued upon on the assumption that when the words "hinged side" appear in the claims they refer not only to the side of the cover which is hinged, but also to other portions of the cover; is that correct? I just want to have the record clear.

The Court: Read the question.

(Question read.)

A. In order to answer that question clearly, may I say that we are using terms that are very confusing because when you refer to "hinged side" I think you mean one thing, and when I refer to "hinged side" I mean another thing.

Mr. White: I refer to the hinged side of the cover.

A. That is what I refer to, too.

Q. Well, I would like to put in the record what you refer to as the hinged side, so the record shows on what you base your opinion of infringement. We are entitled to have the record show exactly what the definition of the words "hinged side of the

(Testimony of Irving C. Roemer.)

cover” on which you base your opinion that the Koch luggage is within the scope of the claims sued upon in the Shoemaker patent.

A. By “hinged side of the cover” I mean, and I think the Shoemaker patent clearly means, that portion of the cover which is near the hinge as distinguished from that portion of the cover which is free. In order to make myself a little bit more clear, I will refer to [299] an ordinary door, such as the hinge——

Q. I prefer you just remain with the cover; just talk about the cover of the device, not the ordinary door.

Mr. Morsell: I think the witness is entitled——

Mr. White: I move to strike the last part of the answer as not responsive. I did not ask for that.

The Court: Let’s confine ourselves to the cover, here.

The Witness: May I demonstrate what I mean?

The Court: Certainly.

The Witness: In referring to the cover of this case it is my contention that when I say “hinged side of the cover” this is what I mean, that portion of the cover between the center line and the hinged end of the cover, that is the hinged side of the cover as distinguished from that portion of the cover between this center line and the free side of the cover.

Mr. White: Q. In order to have the record clear, when you say “center line”, you are point-

(Testimony of Irving C. Roemer.)

ing to the sides of the cover which are not hinged but which are vertical in the open position, is that right?

A. Yes. A line intermediate the free end of the cover and the hinged end of the cover, the line intermediate and parallel to those sections is the center of the cover. So the cover is divided into a free side and hinged side.

Q. You base your opinion on the definition of the phrase "hinged side of the cover," which includes certain parts of the unhinged side of the cover, is that correct?

A. I think that is becoming a little bit involved. I cannot answer that categorically.

Q. When you pointed to that vertical portion of the cover in the exhibit isn't it true the side which assumes a vertical position when the cover is open is not hinged?

A. The whole cover is hinged. [300]

Q. We have to eliminate the sides which are not hinged, or do you want to base your opinion on the fact the whole cover is hinged and therefore all the sides are included within the claims? If so, just say so, so the record will show it.

A. I say the whole cover is hinged and that the cover has two sides, the free side and a hinged side. The side adjacent where the hinges are connected with the cover, it is a hinged cover, it doesn't seem to matter, there is no portion of the cover which is unhinged, the whole side swings.

(Testimony of Irving C. Roemer.)

Q. Take the hinged cover, that has a top?

A. Yes.

Q. That is a rectangular top? A. Correct.

Q. In a rectangular top there are four sides and four edges of that rectangular top? A. Yes.

Q. And out of those four sides there is only one which is hinged?

A. There is only one to which the hinges are directly secured, that is correct?

Q. That is correct? A. Yes.

Q. Then your opinion is that hinged sides of the cover as used in the claims include more than that one side to which the hinge is attached?

A. Why, of course, because it is very clear, because it doesn't make the least bit of difference in the operation of this device. There is no distinction between the operation of this device if it happened to be hinged at one particular place or another very close to it, the whole device operates in exactly the same manner, so there could not be any difference.

Q. You base your opinion on the disclosures in the specification of the Shoemaker patent?

A. Yes.

Q. I call your attention to the Shoemaker patent, page 1, line 77, where we read—will you refer to Fig. 10 of the patent? Isn't it true that in Fig. 10 of the patent the so-called supporting member [301] or frame is just rested on the hinged lower side of the cover without any other connection, just placed thereon? A. Yes.

(Testimony of Irving C. Roemer.)

Q. Now, I will ask you to turn to page 1 of the specification, line 77, and check whether this is correct as I read it. Line 77 says:

“In Fig. 10, the hinging or pivoting of the end of the base portion of the supporting member 12 is done away with.” Now, I stop with that line there, and I will ask you to point out——

A. Will you please tell me what portion of the patent you are reading from? I must have misunderstood you.

Q. Line 77. Excuse me, page 2. Page 2, line 77. Would you point out before we read any further which is the base portion of the supporting member 12 and point it out on that enlarged diagram of the patent drawings, Exhibit 9?

A. The base?

The Court: Show it on that diagram, Exhibit 9.

Mr. White: I will reframe the question. Isn't the part which is colored red the supporting member 12 in the patent? A. Yes.

Q. Isn't it true the base portion is 16?

A. Yes.

Q. That is the base portion. Now, then, I shall read the specification so his Honor can see just where I read, page 2, line 77:

“In Fig. 10 the hinging or pivoting of the end of the base portion of the supporting member 12 is done away with.” Isn't that true, that that would mean that supporting member is not pivoted?

A. Correct

(Testimony of Irving C. Roemer.)

Q. "But in packing luggage this end is rested against the inner face of the hinged side of the cover," and I stop there and ask you to point out the inner face of the hinged side of the cover referred to in the specification at that position, point that out on Plaintiff's Exhibit 9.

A. He is referring in that instance to this surface.

The Court: The red surface?

A. No, the surface behind the red surface, the portion of the inside. [302]

Mr. White: Q. To the horizontal surface; in other words, to the face which is hinged, which carries the hinges? A. Yes.

Q. You say that applies only to that instance?

A. Yes. I say in that instance that he is referring to a portion of it.

Q. Continuing reading the specification:

"And the folding strip pivoted to position, which"—Isn't it true the folding strip in that device is the part which is colored green and marked "E" in Plaintiff's Exhibit 9? A. Yes.

Q. Now, in the operation of pivoting the folding strip up means the turning of the entire supporting frame into the cover? A. Yes.

Q. Is that correct. Now, then, reading further: "which constitutes practically a similar action as would take place if the base portion was hingedly connected to the hinged side of the cover portion"?

A. Yes.

(Testimony of Irving C. Roemer.)

Q. And the last statement refers then to the other modification, isn't that true, where they are actually connected to the hinged side of the hinged portion?

A. Yes. To make it clear, that part of the device is when Shoemaker is saying in effect that regardless of exactly where you put the hinge it is the pivotal action into the side of the cover portion, that general location, that makes this invention operate the way it does.

Q. In that statement he says the pivotal action rests on the hinged side of the cover.

A. With or without hinges, or regardless of the particular position of the hinges.

Q. He also states that the inner face of the lower side of the cover is the hinged side.

A. Yes, that is the way he uses the term there.

Q. That makes that clear. There are two more claims I would like to call your attention to, Claims 26 and 27 sued on, which are slightly different from the other claims. Isn't it true that in those two claims the words "hinged side" do not appear?

A. That is true, yes. [303]

Q. I will read the elements of the claims. The first element is the luggage, which is the general structure, embodying a cover, which is the hinged cover we just described; is that correct?

A. Yes.

Q. Then it refers to a garment-supporting member. Is the garment-supporting member the mem-

(Testimony of Irving C. Roemer.)

ber colored red in Plaintiff's Exhibit 9 on the chart? A. Yes.

Q. The following phrase, which you will remember defining that member, isn't that correct, the phrase following and the phrase I just read will define that member? A. Yes.

Q. It says, "one side of which is hingedly connected to one side of said cover." Now, does that say "hinged connection"?

A. No, it doesn't. It says to one side.

Q. I would like you to point out in Exhibits 7 and 8, either one of the luggage, and state to the court whether the fixture in those cases, or the garment-supporting members are connected to one side or two sides of the cover?

A. I have done that before but I will gladly do it again.

Q. Well, just answer the question. Isn't it true they are connected to two sides of the cover?

A. No, that isn't. By the specific meaning you give the term, according to your meaning they will represent the two sides. According to mine they pivot to the hinged side of the cover.

Q. Let's get away from the "hinged side" in the two claims because the "hinged side" doesn't appear. As a matter of fact, that frame is connected to the two vertical sides of the cover, isn't it? There are two pivots on opposite sides?

A. Yes.

(Testimony of Irving C. Roemer.)

Q. The pivots are opposite with each other, they are not alongside?

A. Yes. In other words, the specification's form of hinge used is a little different than it is as shown in the patent. [304]

Mr. Morsell: If your Honor please, I think that this examination of the witness should be referred to the entire claim rather than segregating several words there that the claim refers to.

Mr. White: Your Honor, that is proper. Of course, this is cross-examination. He may have re-direct examination. I think this is proper cross-examination.

Mr. Morsell: I wish to call the Court's attention to the phraseology.

Mr. White: I shall read the whole claim before we are through. The other part of it is as follows:

“and the other side adapted to swing to a position adjacent to the other side of said cover.”

Isn't that true, the reference is made to the portion “the other side,” is that portion of the supporting member colored green on Plaintiff's Exhibit 9, which is the free end of the supporting member?

A. Yes.

Q. Therefore, in that claim the supporting member is defined as having one side hingedly connected to one side of the cover, and the other side adapted to swing to a position adjacent to the other side of the cover; isn't that correct?

A. That is correct.

(Testimony of Irving C. Roemer.)

Q. Isn't that true in any respect on the luggage, Plaintiff's Exhibits 7 and 8? A. Yes.

Q. Will you point out the two sides of the cover, first the side to which it is hinged and then the side to which the other end swings?

A. This is the hinged side of the cover; this is the free side of the cover. In other words, this is one side, this is the other side. This is the garment-supporting member referred to. It is hinged to one side. At one end it is hinged to one end and at the other end, that is this end, it folds into the cover adjacent the other end, the other side of the cover. This is the [305] free side of the cover and the hinged side of the cover.

Q. Therefore you base your definition in that case on the definition of the side of the cover as if the cover was split in half and entirely across, and in one half of it, the lower half, is one side and the upper half is the other side; is that correct, is that your definition that you have in mind?

A. Yes. Not necessary to split the cover in half, but just to say the hinged side is one side and the free side is the other side.

Q. Well, which side is the hinged side?

A. The hinged side is that side adjacent to which the cover is hinged to the body member.

Q. The parts of the cover included in the specification just pointed out?

A. Any part of the cover member that is closer to—

(Testimony of Irving C. Roemer.)

Q. Which are the "any" parts? Point them out, which are closer to the hinges.

A. Let's look at it from the side. The hinged connection is at this point. This is the hinged side of the cover, right where I place my hand.

Q. Where you place your hand?

A. All the way across here.

Mr. White: Let the record show he placed his hand on the lower portion of the vertical side wall; is that correct?

A. Yes. Well, my hands are not large enough to place them on the whole hinged side of the case, because it is a large cover.

The Court: We will take a recess until tomorrow morning at ten o'clock.

(An adjournment was here taken until tomorrow, Wednesday, March 13, 1940, at ten o'clock a.m.)

[306]

Wednesday, March 13, 1940.

IRVING C. ROEMER,

Recalled;

Cross Examination

(Resumed).

Mr. White: Q. Mr. Roemer, I will ask you to refer again to the Claim 26 of the patent. Yesterday

(Testimony of Irving C. Roemer.)

afternoon is it true that you testified that the phrase in Claim 26, which I shall now read, pertains to the supporting member part 12 which is colored red in the chart, Plaintiff's Exhibit 9, is that correct:

"A garment-supporting member, one side of which is hingedly connected to one side of said cover and the other side adapted to swing to a position adjacent to the other side of said cover."

A. That is the garment-supporting member shown in red on Exhibit 9, yes.

Q. We agreed yesterday that the horizontal part adjacent to the cover in Plaintiff's Exhibit 9 marked with the numeral 16 is the side which is hingedly connected to one side of the cover? A. Yes.

Q. And we also agreed yesterday that the other side, the opposite side of the supporting member 12 on Plaintiff's Exhibit 9, there, is a green line, the other side or free side of the supporting member 12.

A. Yes.

Q. Therefore we can agree that supporting member has a hinged side which is hinged to the cover and a free side, is that correct? A. Yes.

Q. The next element in that claim is:

"A garment-supporting means carried on the first-mentioned side of said member."

Could we agree that garment-supporting means is the hanger rod, hanger rod 30? A. Yes.

Q. Is it true in Fig. 1 of the patent that hanger rod is not shown? A. That is correct.

Q. I will give you a blue pencil, and I would

(Testimony of Irving C. Roemer.)

ask you to just sketch [309] in the outline of the hanger rod where that would appear according to the last part of Claim 26 as I now read—

Mr. Morsell: I object to that, your Honor. If counsel wishes to furnish a reproduction for the use of the witness to sketch it would be all right, but I would prefer to have that exhibit, which is our exhibit, in its original condition. It is an exemplification of the Shoemaker patent, an exact reproduction, and I would not care to see—

The Court: Without marking, indicate it.

A. The hanger rod 30 is placed between the brackets 29 of Fig. 1.

Mr. White: Q. Will you point out—that is the position. Isn't it true that is directly on the hinged side of the supporting member 12, isn't that correct, those brackets 29 are extending from the hinged side of the cover? A. That is correct.

Q. Now, I will ask you to take either Plaintiff's Exhibits 7 or 8. I show you here Plaintiff's Exhibit 7, the Koch luggage, and I will ask you whether or not it is not true that the garment-supporting member, or the hanger rods are in the free side? I will correct the question. Isn't it true the garment-supporting means, or the hanger rods are on the free side of the supporting member or frame?

A. I should say not.

Q. Which means this is not the free side?

A. That is not the free side of the garment-supporting member.

(Testimony of Irving C. Roemer.)

Q. Do you base your opinion that you previously expressed as to Plaintiff's Exhibits 7 and 8 being within the scope of Claims 26 and 27, and the other claims in suit, on your opinion as you express now that the hanger rod in the accused structures, Plaintiff's Exhibit 7 or 8, are not in the free side of the garment-supporting member?

A. That question is a little complicated.

Mr. White: May the question be read?

Mr. White: May the question be read? [310]

The Court: He may answer if he can.

The Witness: I think I can answer the question by saying that when I said that those are not on the free side of the garment-supporting member that the garment-supporting member as it is normally used is with the arms that may be raised to a vertical position, those auxiliary arms in a horizontal position, then the garment-supporting bars are at the hinged side of the garment-supporting member, not at the free side. I think the garment-supporting member, the free side of the garment-supporting member is that side which has the folding edge, and the folding edge even in the position of Exhibit 7 now with the auxiliary arms swung to their uppermost position remains in a lower position; that is actually at the free side of the garment-supporting member.

Mr. White: Q. Now, inasmuch as we are using that word "free side," let's define that word. Isn't it true, going back again to Plaintiff's Exhibit 9, isn't it true that the differentiation between the

(Testimony of Irving C. Roemer.)

hinged side and the free side of that garment-supporting member is that the hinged side is hinged and the free side is not hinged?

A. That is correct.

Q. Is the side in Plaintiff's Exhibit 7, which you have just inspected, into which the hanger rods are mounted, hinged, is that the hinged side of the supporting member or the free side of the supporting member; which is it; it can't be both.

A. The normal position of the garment-supporting rods is at the hinged side of the supporting member. They may be swung into position and assume a different position so that they are not either directly at the hinged side or at the free side of the garment-supporting member. They are in another position by virtue of the auxiliary arms by which they are supported.

Q. Irrespective of the position the side is in to which the rods are, [311] whether it is folded or whether it is extended, is it at any time connected or hinged to any part of the cover?

A. Is it at any time connected or hinged to any part of the cover?

Q. The side into which in Plaintiff's Exhibit 7 the hanger rods are supported in the garment-supporting frame; I am pointing to it.

A. Yes.

Q. Is that hinged?

A. The garment-supporting frame is hinged to the cover.

(Testimony of Irving C. Roemer.)

Q. Is this side—I am pointing where the hanger rod is—hinged to the cover?

A. At some times, yes, in its normal position.

Q. Is it now hinged to the cover?

A. The garment-supporting frame is not hinged to the cover.

Q. Yes. The frame is, but is that side into which the rods are hinged to the cover?

A. That side frame by which the garment-supporting rods are supported is hinged to the cover.

Q. I am asking whether this side, here, is hinged to the cover; is it connected or is it free? Do you have to disconnect the hinged cover when you move it out?

The Court: It is obvious you do not.

Mr. White: Well, that is the point. That is all, your Honor.

Redirect Examination

Mr. Morsell: Q. Mr. Roemer, referring again to the accused structures, Plaintiff's Exhibits 7 and 8, it is a fact, is it not, that the inner end of the garment-supporting member frame are hinged to the inner end of the cover? A. Yes.

Q. It is furthermore a fact, is it not, that the auxiliary frame member when folded downward onto the main frame member is supported on the frame member in one instance by lugs, and in the other instance by a transverse bar, and is thus connected to the main frame member; is that correct?

A. Yes. [312]

(Testimony of Irving C. Roemer.)

Q. And through the medium of these connections do the hanger bars become carried by the hinged ends of the frame, either directly or indirectly?

A. Yes, they do.

Q. Is there any difference in function with the frame folded in the accused structures, with the frame and garment-supporting bars over the arrangement disclosed in Plaintiff's Exhibit 9, the Shoemaker patent?

A. No, there is no difference in function.

Q. There has been considerable discussion here as to what is or is not meant by the hinged side of the case. Can you state whether or not, in your opinion, the patentee used certain terms in defining portions of the cover to distinguish one area from another in the cover?

A. I believe that he did. I believe, however, that the patentee did not indicate that any specific panel of the cover was the hinged side. The patentee said, for example, on page 2, starting with line 89:

"It will be noted that throughout the entire disclosure, I provide a construction wherein the base portion 16 of the supporting member 12 is hingedly or pivotally supported relative to the bottom of the cover when being positioned into packed relationship in the cover 10."

The term "bottom of the cover," there means the lower portion of the cover as distinguished from the upper portion of the cover when the cases are down in a position ready to be packed.

(Testimony of Irving C. Roemer.)

Again, in Claim 26, for example, the language used there shows that the patentee is referring to the hinged side of the cover and the free side of the cover as the only two sides of the cover with which he is concerned. It is obvious that he was not concerned with either of the side panels so that he referred to this cover as a four-sided affair. His entire concern was with two sides of a cover, because he spoke of these two sides in Claim 26 by referring [313] to a supporting member hingedly connected to one side of the cover and then again adapted to swing to a position adjacent to the other side of the cover. In speaking of one side and the other side he refers to a two-sided cover for the purpose of this patent. For any purpose that relates to the manner in which the garment fixture functions the cover only need have two sides, a hinged side and a free side.

Q. Is it your opinion, then, that the terms used throughout this patent and in the claims in defining certain portions of the cover were intended to refer generally to zones of the cover rather than specific panels? A. Yes.

Q. Now, as a matter of mechanics, is there any difference whatsoever in the function or operation of one of these luggage packing frames in a suitcase as to whether the inner end of the frame is hinged to the rear panel of the cover or to some other portion of the cover in that immediate zone or adjacent the hinged connection of the cover?

(Testimony of Irving C. Roemer.)

A. None, whatsoever. It simply describes a choice of hinges. There are various types of hinges and ways of hinging covers or portions or panels of any sort where it is desired to swing them, and many types of hinges that may be used. There is a difference in the choice of the specific hinge shown, for example, in Fig. 3 of the patent drawings, and in the commercial structures that are exhibited here.

Q. I will refer you to Plaintiff's Exhibit 6, a luggage case manufactured under a license under the patent in suit, and would ask you to examine this case and tell me where the frame is hinged with respect to the cover in comparison with the hinge mounting of the frame in the accused structures, Plaintiff's Exhibits 7 and 8.

A. In Exhibit 6 the hinge of the garment-supporting member is in exactly the same position, I place my finger on the outside of the [314] cover to indicate the position as it is on either of Exhibits 7 or 8. On Exhibit 7 I place my finger on the cover to indicate the position of the hinge, and in Fig. 8 I also indicate the position of the hinge. In every case I would place my finger not on the panel of the cover that carries the hinge and connects the cover with the body portion, but, rather, on one of the side panels. Nevertheless, in all cases it is at the hinged side of the cover as distinguished from the free side of the cover.

Q. Some reference was made in cross-examination to an interference proceeding in which the

(Testimony of Irving C. Roemer.)

Shoemaker application for patent was involved with the party by the name of Wheary. From your past examination of the File Wrapper of the Shoemaker patent, can you state what was the structure covered by the Wheary patent which was involved in this interference proceeding?

A. I can state that in the Wheary patent, there was no hinged connection between a garment fixture or, rather, no physical connection whatsoever between a garment fixture, or, rather, no physical connection, whatsoever between a garment fixture and the cover of the luggage. There was a hinged connection which was somewhere near the cover, adjacent to the cover, but it did not touch the cover, and it was not secured to the cover in any manner whatsoever. The fixture was entirely carried by the body portion of the luggage.

Q. Therefore, the claims which were in issue in that interference of necessity had to define the connection between the frame and the piece of luggage in general language, is that not true, so as to comprehend both the Shoemaker and the Wheary structures which had different modes of attachment for the frame? A. That is correct.

Q. Do you, furthermore, recall whether or not the Wheary structure in that interference had any removable garment bars associated with the frame?

A. It had not, no.

Q. It was simply a frame?

A. It was a frame, pivoted frame. [315]

(Testimony of Irving C. Roemer.)

Q. And it did not include the other features of the Shoemaker invention, is that correct?

A. It did not.

Q. On cross-examination considerable attention was directed to the alleged advantages in being able to pack either of the accused structures, Plaintiff's Exhibits 7 and 8, with the auxiliary frame swung in a vertical position, or, in other words, by an instrumentality which projected the individual hanger bars upwardly and toward the front edge of the suitcase body. From your examination of the Shoemaker patent do you recall whether Shoemaker had a contemplation of packing in a similar manner?

A. Yes. Shoemaker showed a structure for facilitating packing in the same manner that the packing is accomplished in these defendants' exhibits. That structure is shown in Fig. 7 of the patent.

Q. I show you an enlarged photostat and colored reproduction of Fig. 7 of the drawing of the Shoemaker patent. Is this a reproduction of the figure of the drawing you referred to? A. Yes, it is.

Mr. Morsell: I would like to offer this chart in evidence as Plaintiff's Exhibit 11. I believe that is the number that is open.

(The chart was marked "Plaintiff's Exhibit 11.")

Mr. Morsell: Q. Will you refer to the structure shown in Fig. 7 as enlarged in the chart and explain how the frame is projected to a vertical position for packing when desired?

(Testimony of Irving C. Roemer.)

The Court: Where is the article, itself? Where is this satchel. Is one available?

Mr. Morsell: We haven't one, a physical model of it, no.

The Court: Why?

Mr. Morsell: Well, we would have to reproduce all the modifications of the Shoemaker patent. There are a number of modifications. [316]

The Court: All right.

The Witness: In this figure of the Shoemaker drawing the garment-supporting member, which is colored red, corresponds to the coloring in Exhibit 9, and marked C, is pivoted to an auxiliary frame which also forms a part of the garment-supporting member, and that frame is pivoted to the side panels of the cover member. When the garments are to be packed the entire fixture is swung out of the cover member and the garment-supporting member is positioned with its folding edge, shown in green, across the top of the open box portion of the suitcase, so it is held, the entire garment-supporting member is held in vertical position with the hanger 30, colored blue, across its uppermost edge, and in the same relative position to the open case as the garment-supporting bars are held in the defendants' structures, Exhibits 7 and 8. In this structure the bar D, the garment-supporting bar or hanger D is removed and the garment draped over it. It is then placed back in the position shown in Fig. 7 and at that time the gar-

(Testimony of Irving C. Roemer.)

ment-supporting member is raised slightly and pulled outwardly toward the person packing the garment, with the result that the supporting frame member, including the auxiliary arm 21, swings downwardly until the inner end of the garment-supporting member, that is the end with the hanger 30 on it, rests within the cover member at the hinged side of the cover member. At that time the garment-supporting member is horizontally positioned over the box or body member of the luggage, and from that position it is swung upward exactly as has been demonstrated with all of these models in evidence.

Q. In the arrangement disclosed in Fig. 7 on the chart, Plaintiff's Exhibit 11, is the packing position of the frame the same as the vertical packing position of the frame in Plaintiff's Exhibits 7 and 8, the accused structures? A. Yes, it is. [317]

Q. And then, again, the auxiliary arms 21 are swung downward into the cover and the frame C is then moved horizontally and then folded vertically into the cover; do the parts assume the same position in relationship as they do in Exhibits 7 and 8 when those frames are collapsed?

A. Yes, they do. The modifications of Fig. 7 still support the garments in a position parallel to the carrying position of the luggage.

Q. Would it be your opinion, then, that the patentee, Mr. Shoemaker, in addition to the main form of the invention wherein he contemplated packing

(Testimony of Irving C. Roemer.)

with the frame horizontal, furthermore contemplated an alternative method of packing with the frame vertically? A. Yes.

Q. Now, in any suitcase or wardrobe case, of course, when the case is opened up and it is in an inoperative position, is not in a position for its intended use, is it? A. Yes, that is true.

Q. A suitcase in its intended use is closed up, collapsed? A. Yes.

Q. For the confinement of garments during transportation.

A. That is the normal position, closed.

Q. That is its normal intended position for use? A. Yes.

Q. In the closed position of the structures of the defendant, Plaintiff's Exhibits 7 and 8, is there any difference in the relationship of the garment-carrying means from that of the patent in suit when the cases are entirely closed, as they are in use in the transportation of garments?

A. There is no difference, at all.

Q. On cross-examination yesterday one of the defendants' counsel, if I recall correctly, made a point that in the structure of the Silverman, et al, Plaintiff's Exhibit 8, by virtue of the vertical disposition of the auxiliary frames it might be possible to take off one of the innermost bars when it was packed for unpacking, and that this added feature gave more accessibility to the individual [318] bars. Now, please examine—I wish to correct my

(Testimony of Irving C. Roemer.)

statement. The case I was referring to when this point was made was the Balkan case, Plaintiff's Exhibit 8. Please refer to Plaintiff's Exhibit 7, the alleged infringing case made by the defendants Koch, and tell me whether this alleged advantage is present in this case when the auxiliary frame is projected to vertical position.

A. It is not present in this case. The bars must follow one another out of their positions on the frame. It is impossible to take one of the rearmost bars out without first taking the forward bars out.

Q. So, so far as that point which was made yesterday is concerned it has no application to the Koch luggage case, is that true?

A. That is true, yes.

Mr. Morsell: That is all.

Recross Examination

Mr. White: Q. Do I understand correctly that it is your contention that the one shown in Fig. 7, the Shoemaker patent, is in your opinion within the scope of the claims sued upon?

A. I did not make any statement to that effect.

Q. Then all the description was merely illustrative of another form but it is not your opinion that that form is within the scope of the claims sued upon?

A. I simply told what was shown in Fig. 7 and explained how it operated in accordance with the teaching of the patent.

(Testimony of Irving C. Roemer.)

Q. Are you in a position to express an opinion at this time whether or not the structure shown in Fig. 7 is or is not within the scope of the claims sued on in this case? A. Not off-hand.

Q. You examined the structure, did you not, in Fig. 7? A. Yes.

Q. You examined the elements of the claims? A. Yes.

Q. You cannot say—

A. I don't think I could testify off-hand, because the claims are numerous and I would rather take time to go [319] over the claims again before I testify as to that.

Q. Isn't it true in the modified form shown in Fig. 7 the hinged connection is at a point 22?

A. One hinge is at the point 22.

Q. The hinged connection to the cover is at point 22? A. Yes.

Q. And the hinged connection is near what we would call the top side of the cover when opened?

A. The free side of the cover, yes, when opened.

Q. Therefore, the point at which the frame in Fig. 7 is connected to the cover is not anywhere adjacent to what you define as the hinged side of the cover, is that correct?

A. That is incorrect.

Q. Then is it your statement that the point 22 is adjacent to what you define as the hinged side of the cover? A. No.

Q. Then it is not near the hinged side of the

(Testimony of Irving C. Roemer.)

cover. It either is or is not. What is your answer?

A. My answer the point 22 is not near the hinged side of the cover, but that is not the hinged connection of the garment-supporting member.

Q. Is there any other hinged connection of the garment-supporting member to the cover than point 22?

A. Yes. Let me explain.

Q. Just point it out.

A. The garment-supporting member is the member comprising the inner bar 16 and the outer bar, including the folding edge 23 and the central bar, the member 12, and this device is being folded—

Q. May I interrupt you? Isn't it true the specification describes 12 as the entire garment-supporting member, not only the vertical bar, so the record is straight?

A. Yes. The garment-supporting member, the H-shaped assembly, is the garment-supporting member. That member is connected to the cover through the ring, or auxiliary arm. Those are the arms designated by the reference character 21. As this device is placed in its normal position, its packed position, these arms 21 swing down and there is a pivotal action between the outer ends of these arms and the garment-supporting member proper. Consequently, it may be said, as a matter of fact it is proper to say, that the garment-supporting member is pivoted relative to the hinged side of the cover.

Q. Pivoted to what—

(Testimony of Irving C. Roemer.)

A. It is pivoted relatively to the hinged side of the cover.

Q. Pivoted to what?

A. It has a direct pivotal connection with the auxiliary arm 21.

Q. Isn't it true it is pivoted at the point 20 to arm 21 and not to the hinged side of the cover?

A. That is true, yes. It is still pivoted relatively to the hinged side of the cover when it is directly pivoted to arm 21.

Q. There is only one direct connection there, that is the connection to Arm 21; is that correct?

A. Yes.

Q. There is only one set of connections to the cover, that is the point 22, which are near the top of the top side of the cover.

A. That is obvious.

Q. That is merely for illustration but it is not your contention that that particular embodiment is within the scope of the claims?

A. I have not said one way or the other about that.

Q. You don't wish to commit yourself?

A. Not now, no.

Q. Are there any other alternative forms shown in the patent drawings which you would contend as being within the scope of the claims of the Shoemaker patent, I mean the drawings in the Shoemaker patent? Did you examine all the alternate methods in the Shoemaker patent?

(Testimony of Irving C. Roemer.)

A. Yes. I haven't checked the claims very carefully with every figure in the drawings. I don't know for sure. If I were given any specific figure and time to review the claims I would be glad to give you my opinion if you wish. [321]

Q. Isn't it true that in the Hartman case, that is, Exhibit 6, the side brackets on which the member is pivoted are connected both to the lower or bottom of what I term the hinged side of the cover and also to the vertical side of the cover? Will you examine that and answer?

A. Yes, that is true.

Q. You don't know of your own knowledge whether Hartman is a licensee—you don't know of your own knowledge if they put that on this particular luggage on account of that connection of the brackets to the bottom or to the side? You don't know that, do you? A. Why, no.

Q. If I correctly understood you, you divided the cover into two zones, one zone in which you included the side here to which the hinge is connected, the other zone into which you included what you call the free side on which this lug is.

A. Yes.

Q. Could you explain just why is the distinction occurring at claim 26 of the patent, the language of the patent says one side of which in connection with the supporting member is hingedly connected to one side of said cover and the other side adapted to swing to a position adjacent to the other side

(Testimony of Irving C. Roemer.)

of said cover. Now, wouldn't it be logical that if there is a division of zones then the second should not be adjacent, but would be into the other side of the cover? Do you think Shoemaker meant this one free side and the other side of the cover — instead of saying "swinging adjacent to," if he meant to say the whole upper zone wouldn't in that way swing into the other side of the cover?

A. That amounts to a rather fine choice of language. I wouldn't deny that that might be the better way of saying it if you chose to say it that way, but I don't think that there is any indication in the specification that he meant one thing or the other.

Q. It means it is just an unfortunate wording of the claim.

A. No. A fortunate wording of the claim, I think. I think the [322] present wording of the claim is just as good as that that you suggest.

Q. For instance, if the frame or supporting member 12, as shown in Fig. 1 or the Shoemaker patent is taken out and instead of being hinged or connected to the bottom side of the cover, as shown in the figure, you hinged it onto one of the vertical sides of the cover and swing it transversely, then wouldn't it be true that you could divide the two zones and it would still be hinged to one side and the free edge 23 would be swung adjacent to the other side, just the same, wouldn't it?

A. Yes, but neither part would be secured to the hinged side then.

(Testimony of Irving C. Roemer.)

Q. Then in your opinion claims 26 and 27 are limited to the hinged side, a connection to the hinged side of the cover, is that correct?

A. Yes.

Q. Is that anywhere expressed in the claim in such language, or any language from which you infer that?

A. No, it is not in those claims. I didn't read the claim when I said that it was, and I wish to correct myself.

Q. Therefore, so far as the zones go, you could divide the cover into zones, according to your theory, around any axis you chose?

A. Yes, I think you could, unless you had read the specification and looked at the drawings before you read these claims and it would be quite impossible.

Q. It is your opinion that any such division of zones was within the contemplation of Shoemaker to divide into zones around any of these axes?

A. That is certainly not my opinion, no. I feel it is necessary to read any patent claim in the light of the specification and drawings of the patent in which the claim is found.

Mr. White: No more questions.

Further Redirect Examination

Mr. Morsell: Q. One additional question. In Plaintiff's [323] Exhibit 5, luggage case manufactured by one of the plaintiff's licensees under license under the patent in suit, where do you find

(Testimony of Irving C. Roemer.)

the inner end of the frame pivoted with respect to the cover?

A. The inner end of the frame is pivoted on a stud which enters the vertical side panel of the cover member with the cover in its open position. There is, incidentally, no connection whatsoever between the inner end of this frame and the panel of the cover where it is hinged to the body portion of the luggage.

Q. Is this frame in Exhibit 5 hinged to the cover in exactly the same relationship as the frame in Plaintiff's Exhibit 7, the Koch structure?

A. Yes, it is.

Q. Is that likewise true of Plaintiff's Exhibit 8, the Balkan structure?

A. Yes. In Exhibit 8 there is a slight difference in the construction of the hinge. In Exhibit 8 the hinge or pivot embodies little brackets as well as hinge pins, but the relative positioning of the hinged part is the same.

Mr. Morsell: That is all, Mr. Roemer.

The Court: Is that all from this witness?

Mr. White: Yes.

The Court: We will take a recess for a few minutes.

(After recess:)

Mr. Morsell: I will call to the witness stand as an adverse witness Mr. Harold Koch, one of the defendants in action No. 21,273-R.

HAROLD M. KOCH,

Called by the Plaintiff; Sworn.

Mr. Morsell: Q. Will you please state your age, residence and occupation, Mr. Koch?

A. I am 37; my occupation is leather goods worker; 163 21st Avenue.

Q. With what concern are you connected at present? A. H. Koch & Sons. [324]

Q. They manufacture leather goods and articles of luggage? A. Yes.

Q. And sell the same?

A. You mean do I sell them?

Q. I say, does the company sell these articles?

A. Yes.

Q. You are the Harold M. Koch who is one of the defendants in the action of the L. McBrine Company v. Herman Koch, doing business under the name and style of H. Koch & Sons, and Harold M. Koch, William L. Koch, and Rebecca Koch, is that correct? You are one of the defendants?

A. I am.

Q. You are the Harold M. Koch that is listed as one of the defendants in this action?

A. Yes.

Q. Is Herman Koch your father? A. Yes.

Q. Is William Koch your brother?

A. Yes.

Q. Is Rebecca Koch your sister?

A. Yes.

Q. In addition to Herman Koch, William Koch,

(Testimony of Harold M. Koch.)

Rebecca Koch, and yourself, all work for the concern known as H. Koch & Sons? A. Yes.

Q. Now, according to a report I have, in November, 1925, the business was incorporated as H. Koch & Company, is that correct?

A. Well, I wouldn't know about that, "& Company."

Q. Yes.

A. Not to my knowledge. I wouldn't know that.

Q. You would not know about that?

A. I wouldn't remember it.

Q. Your father suffered some financial losses in connection with the brewing company, is that correct? A. I guess so; I don't know.

Q. The luggage business was incorporated under the California laws as H. Koch & Sons on August 1, 1934; is that correct?

A. Well, I don't know the date, but it was.

Q. So far as you know?

A. So far as I know.

Q. About the date I mentioned it was incorporated under California laws? A. Yes.

Q. Is that correct? A. Yes.

Q. In February, 1935 the stock and some of the equipment was sold to [325] the Multnomah Trunk & Suitcase Company, is that correct?

A. I wouldn't know the date, but it was around in there.

Q. About the time I mentioned?

A. Around that time.

(Testimony of Harold M. Koch.)

Q. This report further states that the corporation continued as such until February 10, 1937, when application was filed and permit granted to dissolve the corporation. The business was then assumed on a co-partnership basis between Herman Koch, and his two sons, Harold Koch and William L. Koch. Is that correct? A. No.

Q. The business was never on a co-partnership basis? A. Not on a partnership basis.

Q. What was it after the corporation was dissolved?

A. It was my father's; belonged to my father.

Q. The information in this report is incorrect, then? A. It must be.

Q. I read further: "On May 27, 1937, Herman Koch stated that the business was owned by his son and daughter, Harold and Rebecca Koch, and that arrangement continued until he settled a lawsuit filed April 28, 1937 by Aaron Solomon for \$2100." Do you recall anything about that?

A. No, I don't.

Q. When was the organization changed from a corporation to its present form in which it is alleged, I believe, that your father is the sole trader?

A. Well, I couldn't tell you that because I don't know. I never have anything to do with the business end of the business.

Q. You don't know that you were ever a co-partner in the business?

(Testimony of Harold M. Koch.)

A. Well, not to my knowledge, I was never a partner. At one time my father left the business and my brother and myself had it, that is, he gave it over to us.

Q. Well, it was your business at that time, then, was it not?

A. Yes, and even at that time I had nothing to do with it, at least [326] running it, so far as running it was concerned, or anything about office work or anything like that. My brother took care of that because I always worked on the inside.

Q. Well, if it was left to you and your brother it was a part of your business?

A. At one time, yes, it was at one time.

Q. Do you recall when that was?

A. Well, I imagine it was around 1934. I wouldn't say exactly, but around that time.

Q. You do know, however, that there have been a number of changes in the set-up of your company from time to time; that is true, is it not, changing from a corporation to a copartnership, back to a corporation, and operated as a sole trader?

A. Yes, I do know, I heard indirectly, although I wouldn't say I know for sure, because nothing was ever discussed with me.

Q. Do you know the reason for those various changes? A. No, I don't.

Q. You know there were some financial matters and lawsuits that were hanging over the company at various times? A. No, I don't.

(Testimony of Harold M. Koch.)

Q. You, personally, work in the manufacturing end of the business at the present time?

A. Yes.

Q. Do you have anything to do with the manufacture of suitcases? A. Yes.

Q. Is that true of your brother, also?

A. Which one?

Q. William. A. Yes.

Q. Do you have anything to do with manufacturing of suitcases like Exhibit 7 here in issue?

A. Yes.

Q. You knew they were to be sold when you were working on the manufacture of them?

A. Yes.

Q. I show you a photostat of an advertisement of H. Koch & Sons, which is attached to the defendants' answer to interrogatories; I would ask if you can identify this circular as having been issued [327] by your company and describing the goods of your manufacture.

Mr. White: In order to save time, your Honor, that is part of the bill of particulars. It was stated under oath that that is manufactured by the company. I don't know the purpose of it.

Mr. Morsell: I just want to bring out whether this witness is personally familiar with it.

A. Well, I couldn't tell from this, here; I couldn't tell from these pictures. That is, they look just like any other case that I have ever seen.

(Testimony of Harold M. Koch.)

Q. Well, aren't you familiar with any of the advertising material produced by the company?

A. No; I have never seen that.

Q. Well, if— A. May I explain that?

Q. Yes.

A. Well, all the work that I do there, I cover the outside of the case, and sometimes I do the shaping of them. I never bother with any of the other parts of the case. It is sectional work. In fact, I never see it done.

Q. You work on these wardrobe cases, however?

A. Yes.

Q. I will state that under oath your father, Herman Koch, furnished this circular as representing an article of hand luggage manufactured by your company. You would not deny the veracity of that, would you?

A. Well, if, as you say, it was made by us, it must have been. I don't deny that.

Q. That is a statement made by your father in answer to an interrogatory.

A. Well, then, it must be, if my father said so.

Q. I will ask you if the center luggage case on this circular indicated by the letter C corresponds to Plaintiff's Exhibit 7?

A. Yes, I guess it does.

Q. I will read to you certain of the descriptive matter immediately above this showing and referring to it. This says: "The lid contains four hangers

(Testimony of Harold M. Koch.)

for from six to ten dresses; keeps them wrinkle
[328]

free." That, in your estimation, implies that the
hangers are in the lid in the use of this article of
luggage, does it not? A. Yes.

Q. What part of the lid?

A. In what part of the lid?

Q. Yes. A. Well, in the head.

Q. Well, what particular portion of the lid, the
upper part or lower part, or what you might term
the inner part?

A. Well, the entire lid, keeps it in the entire lid.

Q. I am talking now about the hangers, these
bars which are termed hangers. [329]



Mr. Morsell: Now, counsel have a theory the
Storch United States patent and the Storch Aus-
trian patent, the Austrian patent to Storch was
filed some few months, was filed in Austria a few
months ahead of Mr. Shoemaker's filing date in
the United States, December 24, 1928. However, in
Austria the filing of an application is a secret pro-
cess. It goes into the files of the Patent Office.
There is no publication, or the public derives no
benefit from that file in any way, shape or manner.
It is entirely secret. Counsel asserts that when
Storch subsequently filed in the United States after
Shoemaker's filing date that Storch should be enti-

fled to a constructive reduction to practice in the United States, corresponding to his filing date in Austria. That is directly contrary to Section 4923 of the Revised Statutes of the United States.

(After argument.)

The Court: I will allow it subject to a motion to strike and over your objection.

Mr. Trabucco: This is the certified copy of the Storch patent, [335] the Austrian patent, with the translation, an official translation.

(The document was marked "Defendants' Exhibit D.")

Mr. Trabucco: I have a certified copy of the Storch Austrian patent accompanying the filing of the United States patent application, in which the specification states that an application was filed in Austria September 1, 1928.

(The document was marked "Defendants' Exhibit E.")

The Court: We will take a recess until two o'clock.

(A recess was here taken until two o'clock p.m.)

[336]

MAURICE P. KOCH,

Called for the Defendants; Sworn.

Mr. White: Q. Will you state your name, age, and residence, Mr. Koch?

(Testimony of Maurice P. Koch.)

A. Maurice P. Koch, 1983 Jefferson street, San Francisco.

Q. How old are you? A. 34.

Q. What is your occupation?

A. Salesman.

Q. Whom do you work for?

A. H. Koch & Sons.

Q. Is the owner, Mr. Herman Koch, your father? A. That's right.

Q. Since when were you working for the firm?

A. Around January, 1926.

Q. What did you do just before then?

A. I was in school.

Q. Where?

A. New York, Columbia University.

Q. Did you go to work for your father immediately when you returned from New York?

A. That's right.

Q. At the time you returned from New York and you started to work for H. Koch & Sons, did that firm make any luggage with built-in garment racks or fixtures? A. No.

Q. When was the first time that you know of that H. Koch & Sons [344] built in any fixtures into the luggage?

A. Well, that was about the latter part of 1927.

Q. What type of fixture was that, if you remember?

A. Well, that was just a single roller type put in the lid, or a wardrobe box, single roller hanger

(Testimony of Maurice P. Koch.)

with a short elbow, and it was attached to the side walls of the cover, I should judge four to five inches from the free end of the case.

Q. Mr. Koch, I show you a garment rack or fixture installed in a wooden luggage and I ask you whether you can identify that.

A. Yes, I can.

Q. What is it? A. That is a wardrobe box.

Q. Was it a wardrobe box made under your supervision? A. Yes, it was.

Q. When was the wardrobe box made?

A. This particular box was made recently. It is just a wooden box of the type of box that we used back in 1927 and '28.

Q. How about the fixture in it?

A. The fixture that we used with this—this particular fixture is one we obtained recently from the people who made the fixtures for us in 1928.

Q. Who are those people?

A. Larkins Specialty Company.

Q. Larkins Specialty Manufacturing Company?

A. Yes.

Q. A San Francisco concern? A. Yes.

Q. Was the fixture made on your order?

A. Yes.

Q. Who invented that fixture? A. I did.

Q. When did you invent it?

A. I invented this fixture—when did I conceive it, or when was it made?

Q. Tell the story, when you thought of it first, and how it came about.

(Testimony of Maurice P. Koch.)

A. Well, we were making a shorter bracket. Do you mind if I go into the detail on it, or do you want me to show how—

Q. Answer the question to your best ability.

A. Well, we had a fixture similar to this around this rod. The first fixture we made was [345] this part, right here, only about that long. That goes right in the lid. I got the idea that it was—this was quite complex because the dress only had one fold. The hanger fixture came out about here and had one fold, and took quite a bit of room in the body of the case.

Q. Will you, for the purpose of the record, state about when it was that you made the longer bracket the first time?

A. It was around January or February, 1928.

Q. Did you make any in January, 1928?

A. No. I thought of it.

Q. What was it you thought of in January, 1928?

A. Well, I thought by lengthening the bar over which the connecting rod and the dress draped or could be put, and by means of exchanging parts or means of transferring the roll drape here down at the bottom and putting another roll drape on the bottom—

Q. What do you call the bottom?

A. The hinged side of the case; the part where the case is hinged, the top of the cover is hinged—

Q. Then you put it to the hinged side of the garment support?

A. Yes.

(Testimony of Maurice P. Koch.)

Q. Did you ever make a model of that?

A. We made a model of that around April of 1928.

Q. Whom did you discuss it with, if you discussed it with anyone at the time?

A. Well, just my father and the boys up at the Larkins Specialty Company.

Q. Who were the boys at the Larkins Specialty Manufacturing Company you discussed that with?

A. That was Mr. Merryfield and Mr. Kapps.

Q. Who was present at that discussion, or at any particular discussion where you gave an order, if you gave any?

A. Well, Mr. Larkins, Mr. Merryfield, Mr. Kapps, my father and myself.

Q. Did you give instructions at that time for the manufacture of the fixture which you use in that case before you in your hand? [346]

A. We told them we wanted to see a hand-made sample first so we could try the parts in the cover and see if they were the right length, whether they operated correctly before going into any volume production.

Q. Were parts made? A. Yes.

Q. Did you ever give an order to make them in any quantity?

A. Yes, we did, after we saw the first model.

Q. When did you give the order?

A. We gave the order on May 17, 1928.

Q. How do you remember the date?

(Testimony of Maurice P. Koch.)

A. I saw the work sheet.

Q. For how many fixtures was the order made at that time?

A. At the time we placed that order on May 17th, when we placed the order it was for 2000 but we immediately changed that by telephonic conversation to 5000.

Q. Were all the 5000 of the same size?

A. No, they weren't. At that time we ordered 2000 we ordered the 18-inch hanger, and when we increased the order we told them to make them three inches longer so we could use them in our 21-inch box.

Q. I am showing you another suitcase frame with a fixture in it, and I will ask you whether that is what is the 18-inch hanger that you just referred to?

A. That is the hanger that goes in the 18-inch wardrobe box.

Q. Was this part of the same order?

A. Yes. All we did was increase this order here with additional hangers, in this order, here.

Q. Pointing there to the 18 and then to the 21?

A. This is the 18-inch box. We took 2000 of these originally. Then we called them and told them to make another 2000, and then we told them at the time to increase it to 2500 of the small size and 2500 of the large size.

Q. Was that order made up and delivered?

A. Yes. [347]

(Testimony of Maurice P. Koch.)

Q. Did you ever make a model of that?

A. We made a model of that around April of 1928.

Q. Whom did you discuss it with, if you discussed it with anyone at the time?

A. Well, just my father and the boys up at the Larkins Specialty Company.

Q. Who were the boys at the Larkins Specialty Manufacturing Company you discussed that with?

A. That was Mr. Merryfield and Mr. Kapps.

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A. Well, Mr. Larkins, Mr. Merryfield, Mr. Kapps, my father and myself.

Q. Did you give instructions at that time for the manufacture of the fixture which you use in that case before you in your hand? [346]

A. We told them we wanted to see a hand-made sample first so we could try the parts in the cover and see if they were the right length, whether they operated correctly before going into any volume production.

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Q. Did you ever give an order to make them in any quantity?

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Q. When did you give the order?

A. We gave the order on May 17, 1928.

Q. How do you remember the date?

(Testimony of Maurice P. Koch.)

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Q. Was that order made up and delivered?

A. Yes. [347]

(Testimony of Maurice P. Koch.)

Q. To your knowledge, was there installation of the fixtures—

A. Every one of them.

Q. Into the luggage?

A. Yes.

Q. You, personally, sold such luggage?

A. Yes.

Q. Where did you sell the luggage?

A. Denver west.

Q. When was the first time you went out with the samples?

A. I went out with samples in the early part of June.

Q. All over the country selling them until the 5000 were exhausted?

A. Yes.

Q. Did you ever re-order that?

A. Well, we might have re-ordered; I couldn't tell you off-hand. I never checked into that.

Q. These fixtures in the sample box that you have here are actually part of the order that was made in accordance with the order in 1928?

A. This one is, here.

Q. The large one?

A. The large one, because we took that from the basement of the Larkins Specialty Company. They told me they might have one down there on the original order. We went down there and went through all of their old stuff and we picked this one out.

Q. How about the shorter one?

A. The shorter one, here, I took from an old box that had been, well, it was all smashed and I had

(Testimony of Maurice P. Koch.)

it laying around the factory, and I just picked this up.

Q. Is that fixture part of the same order?

A. Well, I believe it is. I believe it is that same order, unless we got a few more a little later on. It might have been in the new order, but I doubt it.

Mr. White: If your Honor please, I offer in evidence the longer, the 21-inch case with the fixture in it as Defendants' Exhibit K.

(The device was marked "Defendants' Exhibit K.")

Mr. White: And I offer in evidence the shorter one, the 18-inch luggage, with the fixture in it, as Defendants' Exhibit L.

(The device was marked "Defendants' Exhibit L.") [348]

Mr. Morsell: I object to the receipt of both of these exhibits, your Honor. The witness stated they were made at a very recent date for the purpose of this litigation, allegedly to show something that was made back in 1928. For that purpose these are not in any way proof of the manufacture and use of a device back in 1928. They were made for the purpose of this litigation alone, for allegedly illustrating a structure that allegedly was in existence some twelve years ago, and I don't see the competency of these exhibits.

Mr. White: I am afraid counsel misunderstood the evidence. The testimony was that the fixtures were actually made under an order of May 17, 1928,

(Testimony of Maurice P. Koch.)

and the installation into the case, itself, was recent to see how they were installed. That does not apply to the fixture. I will prove this fixture by other witnesses.

(After argument.)

The Court: It goes to the weight of the testimony. Proceed.

Mr. White: They are offered and admitted in evidence?

The Court: Yes.

Mr. Morsell: Your Honor, in regard to these rulings, is it customary to enter an exception?

Mr. White: Under the new rules no exception is required.

Q. I will ask you now to demonstrate, describe the operation of this particular fixture, in Defendants' Exhibit K.

A. May I borrow a dress? There was one there. The bracket is lowered, the roller is removed, the dress is draped over the roller at the middle of the dress, the roller is replaced between the two side brackets and the lid is lifted holding the dress in place.

Q. What did you use at the particular time in order to hold the frame in the cover?

A. Well, at the particular time we didn't use anything. We had a curtain that was connected at the hinged side of the cover, would raise to the free side, and was attached with a clasp. [349]

(Testimony of Maurice P. Koch.)

Q. Was that curtain similar in any way to the curtain shown in Plaintiff's Exhibit 5?

A. Yes, precisely that way.

Q. And it would be the same kind of—

A. Not the same kind of a clasp, but a similar clasp.

Q. Did you sell, or, to your knowledge, did H. Koch & Sons ever manufacture any luggage with that fixture installed into any other part than in the cover of the luggage as shown in Defendants' Exhibit K?

A. You mean did we use this fixture in any other part of this type of luggage?

Q. Yes.

A. No, just in the lid of the cover, just as you see it there.

Q. Did you ever install it in any other way than shown in Exhibit K, in any other manner?

A. No, the hanger couldn't be used any other way.

Q. To your knowledge, or recollection, rather, how long thereafter were you selling that merchandise with the fixture as shown in Defendants' Exhibit K?

A. We used this fixture through, I believe, 1931 or '32, around thereabouts.

Q. Where was your manufacturing plant located at the time when that fixture was made in 1928?

A. 416-426 Natoma street.

Q. When did you move from those premises?

(Testimony of Maurice P. Koch.)

A. Moved there about approximately 1936, I should say.

Q. Where did you move?

A. 73 Beale street, our present factory.

Mr. White: That is all on direct examination

Cross Examination

Mr. Morsell: Q. Mr. Koch, you are familiar, are you not, with the so-called Winship type of fixture? A. Yes.

Q. Which was popular back in 1929 and '30, thereabouts?

A. In 1928, the latter part of 1927.

Q. That consisted merely of a frame which was mounted in the upper [350] portion of the cover, of a wardrobe cover? A. Yes.

Q. And the garments were merely draped over the end of the frame? A. Yes.

Q. Do you know whether or not the fixtures which were used on the Winship type of frame were of considerable depth, considering the dimensions of the cover from the top to the bottom?

A. What do you mean by "considerable depth"?

The Court: Was it much wider at the top than at the bottom?

Mr. Morsell: No. As a matter of fact, when the case was turned vertically into carrying position it had considerably more height than this case before us, is that not true?

A. Considerable more height? No. This is the same size. This box, here, is 21 by 18. At that par-

(Testimony of Maurice P. Koch.)

ticular time the boxes were, there were some boxes that were 16 inches high, as well as 18 inches high.

Q. Well, those were the hat box devices?

A. Yes, that is correct.

Q. Wasn't it customary in that type of a cover to have the cover in many instances rather long?

A. The cover?

Q. Yes, to provide for draping—

A. Well, not necessarily. There were longer cases, yes. We made a case at that time that was 24 inches long, but it was by the same token narrower, but it wasn't successful.

Q. That additional length was to give you more draping room from the top of the cover down?

A. Yes.

Q. And in addition to that additional length did not the Winship structure provide a well in the bottom of the body section into which the end of the garment draped?

A. Yes, that's correct.

Q. Is it not possible that in the earlier days of wardrobe luggage a simple frame of the type you have installed here could have been used in the cover of a case without the additional removable bar?

A. That's right. [351]

Q. Might it not have been mounted higher in the cover of a longer case?

A. That's right.

Q. Do you recall what was the vogue in 1928 in the length of a lady's garment; were they wearing short dresses or long dresses at the time?

(Testimony of Maurice P. Koch.)

A. Well, I couldn't tell you correctly, but I think they were short. I am not sure. You can get me on that one.

Q. Well, now, this particular frame, as you have it arranged here, wouldn't be very suitable for long dresses, would it?

A. Well, that takes four folds. That dress, there, I should imagine, is about 13 or 14 inches long, and four times that would be 56 inches long; that would take quite a bit of length. The average woman's dress is not 56 inches long, and neither is an evening dress.

Q. How do you get four folds in there?

A. Well, very simply. One fold here.

Q. That was the primary fold?

A. That was the primary fold, and split your dress in two when you place it in the hanger, as you have it there, and raise this and you get your secondary fold right here.

Q. Well, you are getting a primary and a secondary fold. A. Yes.

Q. Just as we have been discussing in this litigation? A. Yes.

Q. You said four folds.

A. The dress is folded four—one, two, three, four.

Q. Yes, but I mean there are only two folding operations made.

Mr. White: Well, if your Honor please, if I may interrupt—

(Testimony of Maurice P. Koch.)

The Witness: The dress is folded four times.

Mr. White: He is talking about the salesman's language in the luggage business, and we are talking in patent language.

The Court: Nothing unusual about that. They are each talking their own language.

Mr. White: Yes, but they can't get together as to how many times it is folded. [352]

The Court: Well, I observed it.

Mr. Morsell: Q. Now, Mr. Koch, it seems to me from the way in which this has been manipulated this lower bar is far from adequate in its mounting.

A. I can tell you why that is.

Q. It is too short with respect to the frame, isn't that so, and it is apt to spring out when you move your frame up?

A. In this instance, because this bar, here, we didn't have one of these bars down at the Larkins Specialty Company. All they had was a cap and when we assembled that in here you can see how that sets in there. All I did was to take a round piece of wood and set it in there and cut it off with a knife roughly and it is a little too short this way. It would be the full length across there, if it was it would stay in.

Q. You just made that bar there?

A. That's right. This, here, is new; this is new. The only thing that was old here is the frame and the metal parts. That is the only thing we said was

(Testimony of Maurice P. Koch.)

old. The wood fixture, here, on the box, and the wood is all of recent date.

The Court: Made for——

A. Made for the purpose of a demonstration.

The Court: I understood that.

Mr. Morsell: Q. I understand one of these parts you got from Larkins Specialty Company——

The Court: Over here, the other one. Where did you say you got this one?

A. Those parts, there, came out of an old broken case.

The Court: Old broken case.

Mr. Morsell: An old broken case?

A. Yes. This is the original hanger.

Q. Now, you testified on direct examination that the idea of this form of fixture first occurred to you in January, 1928?

A. Around [353] January or February.

Q. Around January or February?

A. Right after that, the first part of the year.

Q. How do you fix that date?

A. Well, I'll tell you, my dad got back from the East the latter part of the year, and he brought the fixture that was very strange to me, it was made by the T. & L. Manufacturing Company, of Newark, New Jersey, and he bought some fixtures there, and we looked at the thing, and it was just like seeing something for the first time; as a matter of fact, I saw it for the first time, and didn't even know how to use it in a case. I didn't know how it

(Testimony of Maurice P. Koch.)

was going to sell or what it would look like. We made up a box and I saw its impracticability and I started fooling around with it. I played around with the thing all the time until I devised this, and we went to Larkins possibly, oh, several times, maybe a month or so before we even gave him an order, just fooling around until I finally devised something that I liked.

Q. You are fixing this January or February, 1928 date from memory?

A. Well, it was right about then; he got back from New York around October or November, at the end of the year, about the time he always goes.

Q. It is your recollection as to events twelve years ago?

A. Yes. How I fixed the entire date, if you want to know, I fix the date from my work sheets on this hanger; then I just traced it back because I know it was the year before, the Christmas before that that we ever saw a hanger fixture in a case.

Q. Where is the work sheet?

A. Well, Mr. White has it.

Mr. Morsell: May I see that?

The Witness: That is the only thing I can go back to now, twelve years.

Mr. White: We have a photo copy of that. [354]

The Court: We will take a recess.

(After recess:)

Mr. Morsell: Q. Just before the recess you mentioned the fact that you were able to recall

(Testimony of Maurice P. Koch.)

certain events because of what you termed your record. I refer you to Defendants' Exhibit C. Is that the record you refer to?

A. That is the Larkins record.

Q. So when you used the term "your record" you meant, in fact, a Larkins record?

A. Yes.

Q. I just wanted to clear that up. Now, in order that we may have the record clear on this, I would like to make observations while you are doing this; will you please again demonstrate how this is packed in the case, Defendants' Exhibit K? Just please pack it in a normal manner without having your hand there. Take a hold of this frame and move it up. Now, in manipulating this case in your demonstration you have had trouble with the lower bar jumping out of the sockets. That is true, is it not? A. In this case, here?

Q. In Exhibit K.

A. Well, in this particular case, yes.

Q. That is due, you say, to the fact the bar was just recently made by you and made too short?

A. Correct.

Q. As I understand your testimony, the fixtures in Exhibit L were taken from an old box; is that correct? A. That's right.

Q. So those are older fixtures?

A. Yes, that's right. Not older fixtures, no.

Q. The original fixtures which you took from an old box; is that correct?

(Testimony of Maurice P. Koch.)

A. That is what I assumed, yes.

Q. Now, will you please load Exhibit L, having the old fixtures therein, and manipulate it in the normal manner, removing the bar, folding it over the dress and swinging the frame up merely by taking hold of the forward part of the frame. Have the record show, please, that upon the manipulation of the frame toward its vertical position the [355] hanger bar on which the dress was draped dropped out of the sockets. That is correct, is it not?

A. Yes, that is correct.

Q. You stated on direct examination that you sold boxes similar to Exhibits K and L with the same type of fixtures there.

A. Correct.

Q. From June, 1928 through 1932.

A. Yes.

Q. A period of about four years.

A. Yes.

Q. In that time you sold about 5000?

A. That's right.

Q. Of these cases?

A. Yes.

Mr. Morsell: That's all.

Redirect Examination

Mr. White: Q. I want to ask, have you any records of sales on that particular type of box by H. Koch & Sons?

A. No, we haven't. We haven't any records of sales that far back.

Q. Could you say why?

A. Yes; we had two fires.

Q. When?

(Testimony of Maurice P. Koch.)

A. We had a fire, I believe it was in 1931, and one in 1932.

Q. Isn't it true that your father sold the business, the entire business, in about 1935?

A. That's correct.

Q. You started new records at that time?

A. That's right.

Q. Did you have any trouble with the sales of this kind of box on account of imperfections or not holding the dress in there? A. No.

Q. Did you sell during the same time other kinds of luggage with other means of fixtures in them?

A. Other kinds of boxes with other kinds of fixtures?

Q. Or the same kind of luggage with other kinds of fixtures in them.

A. Well, just prior to this fixture we sold a single rack fixture in the lid of the case; that is, in the top end, the upper free end. We sold those shortly after that, too.

Q. What was the next fixture after this was developed that you sold? [356]

A. I believe this fixture right here.

Q. But after this what was the next?

A. After this was the same identical fixture with a multiple arrangement instead of a single roller bar.

Q. The next development after that was which?

A. The next one after that, we took the multiple

(Testimony of Maurice P. Koch.)

arrangement that was in the bottom of the lid and brought that up to a vertical position which is similar to the one we have right here.

Recross Examination

Mr. Morsell: Q. The fires in your plant occurred in what years?

A. I believe they were in 1931 and 1932.

Q. Where was your place of business located?

A. 426 Natoma street; 416-426 Natoma street.

Q. When did you discontinue manufacturing and selling this type of case exemplified by Defendants' Exhibits K and L?

A. Around 1932.

Q. Before or after the fire?

A. Well, we might have made some after the fire; I don't know.

Q. Wouldn't you have records for the ones after the fire, then?

A. Possibly might.

Q. You haven't any available, however, here?

A. Available records here?

Q. Yes. A. No, I haven't.

Q. Why did you discontinue manufacturing this type of case, here?

A. Because the trade demanded a multiple fixture.

Mr. Morsell: That is all.

FRANK KAPPS,

Called by Defendants; Sworn.

Mr. White: Q. What is your name?

A. Frank Kapps.

Q. Where do you reside?

A. 1 Valvez Avenue, San Francisco. [357]

Q. How old are you? A. 37.

Q. What is your occupation?

A. I am at the present time superintendent of Larkins Specialty.

Q. Larkins Specialty Manufacturing Company?

A. Yes.

Q. Where did you work in 1928?

A. I worked at the same place.

Q. What was your job at that time?

A. I was foreman of the press room.

Q. Do you know the defendant, Herman Koch, in this case? A. Yes, I do.

Q. Do you know Mr. Maurice Koch, who just stepped off the witness stand? A. Yes, I do.

Q. Did you do any development or manufacturing work for them at any time? A. Yes.

The Court: Where is this factory located?

A. 268 First Street.

Q. How many people do they employ?

A. They employ around 30 to 40 people.

Q. You worked there for how many years?

A. Since 1917.

Mr. White: Q. I will show you a sheet of paper entitled "Production List Order No. 5-17-B," and I will ask you if you ever saw it before.

(Testimony of Frank Kapps.)

A. Yes, I have seen it before, because it is in my handwriting.

Q. What is it? A. In several places there.

Q. What is it?

A. Well, this one says, "Closed 7/7/28." That is in my handwriting. "Dies Section B-4 85 and 86"——

Q. What does that order refer to?

A. This order refers to 2000 sets of suitcase trolleys.

Q. I show you Defendants' Exhibit K, with a garment hanger or support in it, and I will ask you whether or not you can identify that garment hanger or support, the metal parts of it.

A. Yes; we manufactured those.

Q. Did you manufacture those under the order you have in your hand? [358] A. Yes.

Q. The production list? A. We did.

Q. What is the date of that production list?

A. Well, the order number is 5-17-B. We based that production list on the date; 5-17 would be the fifth month, seventeenth day, and "B" means it was the second order we received that day. "A" would be the first order, "B" would be the second order.

Q. How would you determine whether the particular list was in 1928 or any other year?

A. The only way I could establish that is by my handwriting down here, which says "7/7/28."

(Testimony of Frank Kapps.)

Q. Did you make that notation, "7/7/28" in 1928 or any other time later?

A. I made it at that date, or within a day or so of that date, because sometimes we put the dies down—within a few days, anyway.

Q. Where was the production list kept?

A. It was kept in some old records. We keep our records—we file these production sheets themselves in case we want to look at any time. Sometimes a customer comes in ten years after and he wants something manufactured. We look up this sheet and we know how to manufacture it from the production list.

Q. Was that record in your custody?

A. Yes, it was.

Q. It was in your office? A. It was.

Q. When did you look up that record?

A. When did I find this?

Q. Yes.

A. Well, Herman Koch came down to us three or four months ago, I believe, somewhere around that date, and asked if we had any records of manufacturing the suitcase, the hangers, in 1928, and I looked for these and I found this sheet and those records.

Q. You can identify that production list directly as pertaining to the metal parts of the hanger?

A. Yes.

Q. Defendants' Exhibit K?

A. I can, yes. [359]

(Testimony of Frank Kapps.)

Mr. White: If your Honor please, at this time I offer the production list order No. 5-17-B in evidence as Defendants' Exhibit next in order.

The Court: It may be admitted and marked.

(The document was marked "Defendants' Exhibit M.")

Mr. White: Q. I hand you herewith Defendants' Exhibit M, the production list, and I will ask you to identify part by part the corresponding parts that you have on the order. On the frame, the hanger frame in Defendants' Exhibit K, for instance, point out the first item there, "Rail." A Rail refers to this piece here.

Q. To the entire assembled piece? A. Yes.

Q. Which is the bracket?

A. That is this roll bracket here on both ends.

Q. Both ends of the removable roll?

A. Yes.

Q. Which is the roll bracket?

A. The roll bracket is the piece that this sets in, this half cup-shaped part there.

Q. Sockets? A. Sockets.

Q. Which is the cap?

A. That is this, here, that the wood roller fits into.

Q. Did you ever see that assembled in any way in a suitcase, or did you ever see it in any sort of a suitcase?

A. Yes, we put it in a temporary assembly.

Q. What was the purpose of that?

(Testimony of Frank Kapps.)

A. To test the width; sometimes we have trouble with the width; they don't fit in there after the covering gets around here, and we always test it; we drill holes and test these and see they are fastened to the frame; the cloth on the side.

Q. Was that assembly in the same position as it is assembled on Defendants' Exhibit K before you?

A. Yes, it was.

Q. Exactly the same position?

A. It was. [360]

Q. Could you tell from the production list just how many of those hanger frames you made up in 1928?

A. Well, there is a list on the side, here, in small numbers that are taken from the reading on the press that manufactures them. Each press is equipped with a counter, and these numbers are noted down with the time cards on this production list, and you can tell, 4900, I imagine about 5000 on that sheet, there; pretty close to that, anyway.

Q. When you made that notation on that sheet, "Closed 7/7/28," it means that that order was delivered and that was the end of it; is that right?

A. Yes, that is when we closed this sheet; after the order has been completed and delivered.

Q. Did you work for H. Koch & Sons since then, make any other kind of frame?

A. Oh, yes, we made several different types.

Q. What was the next type, if you recall, that you made after the frame shown in Defendants' Exhibit K?

(Testimony of Frank Kapps.)

A. Well, there was a multiple hanger type which hung more than one rack, one roller on there, or one rod across.

Mr. White: That is all the direct examination.

Cross Examination

Mr. Morsell: Q. Over the course of years has your company, Larkins Specialty Company, done considerable work for H. Koch & Sons?

A. Oh, yes, at times, and at times we didn't. They went out of business for a while and so forth, and the last few years we have done considerable business with them.

Q. Are they a pretty good customer of yours at the present time? A. Yes, they are.

Q. Over this period of years you have made various types of fixtures and frames for them; is that right? A. We have, yes.

Q. Now, the production list, Defendants' Exhibit M, you identify the date which this was made by the numerals 5-5-B; is that correct? [361]

A. No. That might mean any year. I identified it by this "7/7/28" when it was closed.

Q. The order was closed 7/7/28? A. Yes.

Q. Well, the "5-17" might mean May 17th that the order came in?

A. It would mean 1928, but I don't—I mean if I only see that number I couldn't identify that year.

Q. The order was closed, then what was done with it? A. It was filed.

(Testimony of Frank Kapps.)

Q. It was filed?

A. Yes, with hundreds of others. Every time a job comes in we get a new one of these and copy it off the old one.

Q. So you were all through with this on 7/7/28?

A. Yes.

Q. When it was filed away? A. Yes.

Q. It was kept in your files until Mr. Koch asked you to produce it recently? A. Yes.

Q. Has it ever been removed from your files between July 7, 1928 and the present time, when it was given to Mr. Koch? A. No, it has not.

Q. On the reverse side of this production list I call your attention to an ink notation, "July 28, 1939," and the letter "L". What does that mean?

A. That means that Mr. Larkins gave that to Mr. Koch on that day. I was there in the office when he handed it to him, and he signed it when he gave it to him. Mr. Larkins could identify that.

Q. Then that date was the date——

A. That it was handed to Mr. Koch.

Q. That it was removed from your files?

A. Yes.

Q. All of the items on this production list are not in your handwriting, are they?

A. No, they are not.

Q. Could you show me just what item is in your handwriting?

A. This, one, this one, this one, this one, this one, this one, and these, and these. There are only two

(Testimony of Frank Kapps.)

handwritings on there, mine and Mr. Larkins. [362]

The Court: Is Mr. Larkins here?

The Witness: No, he isn't.

Mr. Morsell: Q. The first item on this production list is "Part No. 1, Rail." A. Yes.

Q. After that is 1/16 by 3/4. Can you tell me what that means?

A. That is the size of the material on the estimate. It was copied off the estimate.

Q. What relation has that to the frame, here?

A. Well, the 1/16 by 3/4 would mean the thickness and the width. As to that having relationship to that, it hasn't, because the material was purchased locally and they made it thicker and narrower, but that is a copy that is handed to us from the estimator, and he figures that that might be changed as you go along in production, or you can't purchase the material, or something like that as to width, or something like that. That might be purchased without being changed on here.

Q. In actual production, then, you don't necessarily follow—

A. Yes, we do, as far as the operation goes.

Q. I mean so far as the specifications are concerned? A. It might be changed, yes.

Q. It might be changed?

A. Might be changed, yes.

Q. The top of this sheet contains the notation, the heading of the production list, "2000 sets suitcase trolleys." A. Yes.

(Testimony of Frank Kapps.)

Q. I understood you to say on direct examination that this list indicated a manufacture of about 5000.

A. It does. During the time the plant was not running very efficiently, I don't imagine, and after the production was started Mr. Koch probably came in and told us to run 3000 more. That is only my guess. I can only tell by these notations, both here, that there were 5000 run, because that is the only way I have of knowing. That is the only thing that leads me to believe there were 5000 run. I would say there was 2000, [363] but these notations on the side show there were 5000 run. If you follow them down you will see 4900 and a few other items.

The Court: Q. How did that notation happen to be made on the side?

A. The girls, or the men operators, when they run these they have a time card, and there is a productometer on the machine and each night when they finish they copy it. They start, say, with zero, and run up to 4000. Each night they put down 4000 run on that operation. Then we copy it on this sheet and keep track of the number run.

Mr. Morsell: Q. As to seeing this fixture assembled in a cover, you are testifying merely from memory, are you not?

A. So far as seeing it in a cover?

Q. Yes.

A. I am only testifying from this date that is on here. I couldn't testify any other way. I couldn't remember what I did fifteen years ago.

(Testimony of Frank Kapps.)

Q. I mean your recollection of having seen it assembled in a cover.

A. It is purely from this date that we manufactured—I mean we did the model work on all of them and we had one of these covers up there, and we worked on it at the time.

Q. You are just recalling from recollection that you did see that assembly in that cover?

A. I did see it in there, yes.

Q. Through the years since then you have seen other fixtures installed in other cases, I presume?

A. Yes, three or four that they developed since then.

Q. Have you ever seen a fixture in a finished case in commercial form, that fixture?

A. I have been down to their factory. In fact, I went down there at the time we were fitting this with the estimator to see whether they went in all right, and we made several of those samples.

Mr. Morsell: That is all, Mr. Kapps. [364]

Mr. White: Q. Did you have any conversation with Mr. Maurice Koch prior to May 17, 1928 in connection with the fixture shown in Defendants' Exhibit K? A. What date was that?

Q. May 17, prior to the date of the production list?

A. Yes, because that was the day the order was written, and they don't give us an order without some discussion beforehand. I wouldn't say exactly how long, but models, and development, and so forth went on before that.

(Testimony of Frank Kapps.)

Q. To your knowledge, from those discussions, whose invention and proposition was that at that time? A. Whose invention was it?

Q. Yes.

A. Well, it was Herman Koch's, I imagine; it was between the two of them. They both brought it up. I don't know who thought of it.

Q. Maurice Koch and Herman Koch were both there talking about it?

A. I don't know which one the inventor is.

THOMAS E. MERRYFIELD,

Called by Defendants; Sworn.

Mr. White: Q. What is your name?

A. Thomas Edwin Merryfield.

Q. Are you a resident of San Francisco?

A. Yes.

Q. Where do you reside? A. 65 Cervantes.

Q. What is your occupation?

A. I am the estimator.

Q. An estimator for whom?

A. Larkins Specialty Manufacturing Company.

Q. That is the same Larkins Specialty Manufacturing Company for whom Mr. Kapps works, the man who just testified?

A. Same company, yes.

Q. Since when are you the estimator for that company? A. 1926.

(Testimony of Thomas E. Merryfield.)

Q. Do you know Mr. Herman Koch, the defendant in this case? A. Yes. [365]

Q. Do you know Mr. Maurice Koch?

A. Yes.

Q. Who was on the stand here? A. Yes.

Q. Are you acquainted with this production list?

A. Yes.

Q. Defendants' Exhibit M? A. Yes.

Q. Are you the estimator who estimated that production list?

A. Yes, I estimated the job.

Q. You know of your own knowledge that the rack or fixture which is in Defendants' Exhibit K is one that was manufactured by the Larkins Manufacturing Company on that production list in your hand? A. Yes, this is the one.

The Court: How do you know it is?

A. Because I know, because I made the estimate charge and made this, and I also know from the construction of it.

Mr. White: Q. Where did that come from? Can you identify it to know where that particular rack in Defendants' Exhibit K came from?

A. Yes. This came from out of the office. It has been there years.

Q. When was it taken out of your office?

A. About a week ago, I should imagine; a week or two weeks.

Q. Who took it out?

(Testimony of Thomas E. Merryfield.)

A. I think it was Maury Koch and yourself, I think.

Q. Is that now in the same condition, Defendants' Exhibit K, as it was when it was taken out from your office?

A. Yes, excepting it was not assembled in the case.

Q. Did you ever see a rack similar to that made under that production order assembled in the cover of a suitcase?

A. Well, being the estimator, and having something to do with it when it was first made, I remember Mr. Kapps and I went down there to do the fitting.

Q. Did you fit it in there in the same position as it now appears in Defendants' Exhibit K?

A. Yes. It was fitted exactly the same. [366]

Q. Prior to May 17, 1928, which is the date of that production list in your hand, Defendants' Exhibit M, did you discuss that particular garment-hanger with anyone?

A. Only Maury Koch and his father.

Q. His father is Herman Koch? A. Yes.

Q. Did they come to you first? A. Yes.

Q. Could you recall about how long prior to May 17th that might have been?

A. Oh, just about two weeks, I should imagine.

Q. They came to you. Do they come first to you, or go to somebody else?

A. They generally come first to me.

(Testimony of Thomas E. Merryfield.)

Q. You discuss it with them? A. Yes.

Q. You called in Mr. Kapps?

A. Yes, I called in Mr. Kapps and Mr. Larkins.

Q. Did you then make any preliminary models?

A. Yes, we have to.

Q. Have you any of those models that you made at that time? A. No, I don't think I have.

Q. After you agreed on the exact type the order was given? A. Yes.

Q. That order is 5-17-B, the number, is that correct? A. Yes.

Q. In how many sizes were those made up, Mr. Merryfield? A. Two.

Q. I will hand you here a book, and I will ask you just what that book is. Is that the ledger book of the Larkins Specialty Manufacturing Company?

A. Yes.

Q. Is there any record in it which would refer to that production list or order 5-17-B?

A. It refers to the order.

Q. Could you open up the book where it refers to it? A. I think so.

The Court: Are you the bookkeeper, too?

A. Yes. I don't do the bookkeeping. I look over all the accounts and see they are billed properly. This is it.

Mr. White: Q. On that sheet you found do you find any reference to order No. 5-17-B?

A. Yes. There is a place here, "5-17-B, \$715.26."

(Testimony of Thomas E. Merryfield.)

Q. Does that refer to the production list to which you referred before in this particular garment hanger? A. Yes.

Q. Shown in Defendants' Exhibit K?

A. Yes, that is referred to it.

Q. That book is in your custody and under your supervision? A. Yes.

Q. It was in the same condition all the time?

A. Yes.

Q. Under your charge?

A. Yes, never been out.

Q. It is in the same condition as the usual business records, is that correct? A. Yes.

Mr. White: If your Honor please, I would like to offer in evidence that one page from the book. Could you remove it?

The Court: Well, you got a photostatic copy, you can get a stipulation.

Mr. White: If there is a stipulation that the photostatic copy may be introduced in lieu of the original I shall introduce a photo copy of it.

The Court: He wants to see the original.

Mr. White: Here is the original.

The Witness: 5-17-A was the dies, 5-17-B was the manufacturing.

Mr. White: Q. You say 5-17-A refers to dies?

A. For a suitcase, the cost was \$310.

Q. That was the dies for the garment hangers which are now installed in Defendants' Exhibit K; is that correct? A. Yes.

(Testimony of Thomas E. Merryfield.)

Q. Does it show there the date of payment, the final payment?

Mr. Morsell: The photo is all right.

Mr. White: I will offer in evidence a photo copy of the ledger sheet from the ledger book of Larkins Specialty Manufacturing Company entitled "Koch & Sons, 416 Natoma street" as Defendants' Exhibit next in order.

(The document was marked "Defendants' Exhibit N.")

Mr. White: Q. I will show you another book at this time and I [368] will ask you whether you can describe what that book is.

A. Well, this book is a copy of the invoices that we keep, all the invoices for that particular year, 1928.

Q. Could you find reference to the same production order, 5-17?

A. Yes. It reads 2528 long brackets, 2528 short brackets.

Q. That reads 2581 long brackets? A. Yes.

Q. Is that the bill which was prepared under your supervision? A. Yes.

Q. It was sent up to H. Koch & Sons?

A. Yes.

Q. A carbon copy of it? A. Yes.

Q. It was sent out in the usual course of business? A. Yes.

Q. That is the usual business record?

A. Yes.

(Testimony of Thomas E. Merryfield.)

Mr. White: I offer in evidence at this time a photo copy of that.

The Court: Well, it will be admitted and marked.

(The document was marked "Defendants' Exhibit O.")

Mr. Morsell: All right.

Mr. White: Q. I will ask you to examine that bill and explain just what your notation, "Entered 593", on the bottom, means.

A. It means it is entered in the regular ledger there, that is all.

Q. I will show you a ledger here, and I will ask you whether you find anything after the annotation of 593.

A. Yes, "H. Koch & Sons, 5-17-B, 593." That is the bill number, \$715.26.

Q. 593 means that is the 593rd order in that year?

A. Yes, 593rd bill.

Q. What is the page number on the book there?

A. 90.

Q. What is the year on the top? A. 1928.

Q. What does the "30" mean?

A. Well, H. Koch & Sons, that is the date of the month it was entered in this book here.

Q. You have that record in your custody and under your supervision? [369] A. Yes.

Q. Entered in due order and it refers to the same hanger, same production list for the same hanger shown in Defendants' Exhibit K?

A. Yes, that is true.

(Testimony of Thomas E. Merryfield.)

Mr. White: I offer in evidence a photo copy of the upper part of page 90 of the book.

The Court: Admitted.

(The document was marked "Defendants' Exhibit P.")

Cross Examination

Mr. Morsell: Q. There is just one point I would like your assistance on. This production list, Defendants' M, was, according to the testimony previously given identified by date as 5/17-B, that would be the fifth month, seventeenth day?

A. Yes.

Q. That was when the order was entered?

A. Yes.

Q. Down here in Mr. Kapps' handwriting is 7/7/28. That is when the order was completed?

A. Yes.

Q. I am not quite clear on the variance between those dates. That date appearing on the bill, Defendants' Exhibit N, which is June 30, 1928—

A. Well, it takes that period to complete the job, from May 17th to June 30th; that is only about six weeks at most. It takes that time to complete the job.

Q. I thought the job was not completed until July 7th.

A. No. The job was closed then, not completed.

The Court: What do you mean by "completed"?

A. When the job is completed it is when it is

(Testimony of Thomas E. Merryfield.)

in the shop ready to be shipped out to the place. It is in the factory days before the foreman sends the sheet over and says it is closed. He has certain duties to perform, checking up, before it is sent in to the office, although it may have been billed previously, but we have the delivery tags and the tag would be sent to the office, but [370] it might be a week before the job is sent in as closed, although it is finished ten days before.

Mr. Morsell: That is all.

Mr. White: At this time I would like to offer in evidence as Defendants' next exhibit in order, Defendants' Q-1 and Q-2, the defendants' interrogatories in this case, in the case of 21,273-R, and the answers to the defendants' interrogatories in the case, the first as Q-1 and the second as Q-2, showing under oath by Shoemaker that his invention occurred early in November, 1928.

The Court: Admitted and marked in evidence.

(The documents were marked, respectively, Defendants' Exhibits Q-1 and Q-2.)

The Court: We will take a recess until tomorrow morning at ten o'clock.

(An adjournment was here taken until tomorrow, Thursday, March 14, 1940, at ten o'clock a. m.)

[371]

Thursday, March 14, 1940.

Mr. White: If your Honor please, at this time I would like to recall to the stand for a few questions Mr. Maurice Koch.

MAURICE P. KOCH,

Recalled, by Defendants.

Mr. White: Q. Mr. Koch, I am showing you Defendants' Exhibit K, luggage, with your fixture in it, and I will remind you of the demonstration yesterday when the roller at the base fell out during certain of the demonstrations, and I will ask you whether you can offer any explanation for that operation at that time?

A. Yes, I can. I was a little confused when it fell out, myself, but I noticed—I noticed later that these cups that hold the hanger were put in wrong; just misplaced. This one should be on the inside and that should be on the other side.

Q. They were reversed? A. Yes.

Q. Have you any loose brackets in your pocket that are used in there?

A. Yes. That makes a difference.

Q. Are these exactly the same brackets as the ones installed in Defendants' Exhibit K?

A. Yes.

Q. One side is higher than the other.

A. Yes.

Q. The brackets as installed in Exhibit K have the lower side in the front?

(Testimony of Maurice P. Koch.)

A. Yes, and they should have the higher side in front. They were just reversed.

Q. These roller brackets you have in your hand were made on the same order as testified to yesterday, at the same time? A. Yes.

Mr. White: I offer these last brackets in evidence as Defendants' Exhibit next in order.

(The devices were marked "Defendants' Exhibit R.")

Mr. White: Q. I will show you another luggage, and I will ask [373] you whether that luggage, so far as the bottom and the cover go, were made under your supervision. A. Yes.

Q. I will ask you whether the fixture, the garment hanger in it is exactly the same part, has exactly the same parts as the one in Defendants' Exhibit K? A. Yes.

Q. Were all those metal parts made under the same production order by Larkins Specialty Manufacturing Company? A. Yes.

Q. As the brackets in Defendants' Exhibit K? A. Yes.

Q. And they are exactly the same parts?

A. Yes.

Mr. White: If your Honor please, I offer this in evidence as Defendants' Exhibit next in order.

Mr. Morsell: I would object to the exhibit as immaterial and incompetent.

The Court: I will allow it.

(Testimony of Maurice P. Koch.)

(The device was marked "Defendants' Exhibit S.")

Mr. White: Q. In Defendants' Exhibit S are the roll brackets or sockets, as you call them, at the base, installed the right way?

A. In this case they are installed in the right way, yes.

Q. In your hand you have the roll or hanger bar which you took out from Defendants' Exhibit K?

A. Correct.

Q. Will you place that in the socket in Defendants' Exhibit S? I will hand you another garment, and I will ask you to demonstrate the operation of that hanger in Defendants' Exhibit S. Let the record show that the hanger roll, or bar, at the base did not come out but stays firmly in place during the demonstration. Mr. Koch, is it true that your father, Herman Koch, at the present time is at the Mt. Zion Hospital? A. Yes.

Q. And he was ill the last four weeks and was under an oxygen tent for two or three weeks?

A. Yes, he had a heart attack.

Q. That is the reason for him not appearing to testify at the present time in the trial?

A. Yes. [374]

Mr. White: That is all.

Cross Examination

Mr. Morsell: Q. Mr. Koch, Exhibit S was constructed and assembled by you after your testimony in this case yesterday? A. Yes, sir.

(Testimony of Maurice P. Koch.)

Q. And was constructed and assembled after your demonstration of the cases which were introduced in evidence yesterday, Exhibits K and L?

A. That is correct.

Q. You testified yesterday that Exhibits K and L were made exactly the same as the cases which were allegedly manufactured and sold by you in the spring of 1928; that is correct, is it not?

A. Well, that is correct, but I did not pay any attention to the sockets. They are very easily misconstrued, just looking at them. We haven't made these for a long time.

Q. So there is room for error in the assembly of these parts over the lapse of a period of years; that is true, is it not?

A. Well, it is putting the right where your left should be.

Q. But in Exhibits K and L you didn't assemble the parts correctly then? A. That is correct.

Q. The passage of years led you to an error; you did not recall?

A. No, it didn't lead me to any error. The man who assembled it for me in the factory had never assembled this type of case for us before, and he just put them in wrong. I didn't pay any attention to it; told him to assemble it, told him where to put the brackets, and I never gave the right and left bracket a thought.

Q. In the movement of the frame of Defendants' Exhibit S from the horizontal position to the ver-

(Testimony of Maurice P. Koch.)

tical position, is there any change in dimension as between the distance between the center line of the outer bar and the center line of the inner bar?

A. I just don't follow that. [375]

Q. I place a ruler upon the center line of the inner bar and the center line of the outer bar, and the reading is approximately $10\frac{3}{4}$ inches; is that correct?

A. From center to center it is approximately about 11 inches; here is the 11 mark right here; approximately 11 inches, $10\frac{3}{4}$ to 11 inches.

Q. Let's move the frame to its vertical position, and again applying a ruler, from the center line of the lower rod to the center line of the upper rod what reading occurs?

A. Well, it is approximately about 13 inches, a little less than 13 inches.

Q. There is considerable elongation in the distance, is there not? A. Yes, that's correct.

Q. When that fixture is arranged with the garment, in moving from the horizontal position to the vertical position will there be a shifting of the garment, or elongation of it?

A. There may be a stretching of the garment to keep it wrinkle-proof.

Q. In your present fixture, as exemplified by Plaintiff's Exhibit 7, you mount the garment bar directly on the frame, do you not? A. Correct.

Q. That eliminates any elongation, does it not?

A. Well, there is a slight stretch there, too.

(Testimony of Maurice P. Koch.)

Q. Does the distance between the center of the two bars remain constant, each being carried with the same frame member?

A. Well, there is a little less shifting than there is here, if that is what you call it.

Q. I am asking you whether you get the elongation that you get with the fixture Exhibit S?

A. It is an entirely different fixture. It operates differently from this.

Mr. Morsell: That is all. [376]

ALBERT KANTROW,

Called by Defendants; Sworn.

Mr. White: Q. Will you state your name?

A. Albert Kantrow.

Q. Where do you reside?

A. 140 Powell street.

Q. What is your age? A. 49.

Q. In what business are you?

A. Luggage.

Q. Have you any stores in San Francisco now?

A. Yes, two of them.

Q. Where are they located?

A. One in the Mission and one on Powell, 2424 Mission and the other, 140 Powell.

Q. Are they retail or wholesale stores?

A. Retail luggage.

Q. How long were you in the luggage business, altogether? A. Since 1908.

(Testimony of Albert Kantrow.)

Q. Were you also in the retail business?

A. No. I was manufacturing up till 1932 but I also had retailing stores at the time that I manufactured.

Q. Did you do any business with the firm of H. Koch & Sons? A. Yes, lots of business.

Q. Do you know Herman Koch, the defendant here? A. Very well, yes.

Q. Did you ever buy any luggage from them?

A. Yes.

Q. Do you remember ever buying luggage from H. Koch & Son with fixtures or garment racks in the luggage of the same kind as shown in Defendants' Exhibit S? A. Yes.

Q. Could you in any way say just when it was, or in what year, that you first purchased any such luggage?

A. Well, about 1925 and 1926 I was buying cases that had two little rods on the top, and then Mr. Koch came out and showed this case, there, to me.

Q. Pointing at Defendants' Exhibit S. Could you approximately fix the date when you first purchased the kind that is in Defendants' Exhibit S?

A. I couldn't say the exact day, but I know it was the month of July, but I couldn't say the date exactly. [377]

Q. You couldn't tell the year?

A. Yes, 1928.

Q. How would you fix the date?

(Testimony of Albert Kantrow.)

A. I remember that because when I gave Mr. Koch the order I asked him to deliver me the cases at my—I moved from Folsom street to Beale street, and I asked him to ship me those cases to 52 Beale street, not to ship them to the old place. That's why I remember I bought them at the time.

Q. Are you certain you moved from Folsom to Beale street? A. Yes, I sure did.

Q. In the summer of 1928? A. Yes.

Q. At the time you gave the order?

A. I know I bought the cases in July, but I told him to ship them in September, shipped to the new place.

Q. What was the name of the firm that you owned at that time? A. That I owned?

Q. Owned in 1928.

A. San Francisco Suitcase Company.

Q. Could you recall about how many of those you ordered on the first order?

A. Well, I think between 150 and 200, but I don't know exactly for sure whether it was 150, or probably 200. I continued buying them right along.

Q. Did you re-order any later on? A. Yes.

Q. Did you ever have any returns on account of the fixtures not working? A. No.

Q. You sold all that you purchased?

A. Yes.

Mr. White: That is all on direct examination.

(Testimony of Albert Kantrow.)

Cross Examination

Mr. Morsell: Q. What is the name of your company and store? A. At the present time?

Q. Yes. A. St. Francis Luggage Shop.

Q. What was it in 1928?

A. San Francisco Suitcase Company.

Q. You have had considerable experience in retailing various types [378] of hand luggage?

A. Yes.

Q. Wardrobe cases? A. Yes.

Q. Some few years ago wasn't it a fact that there were types of luggage on the market in which they had bars mounted at the top of the cover?

A. There is all different kinds coming out, yes.

Q. Types in which they had holding means up here at the top portion of the cover and the bar inserted in it?

A. Yes. There was a little model, I bought them at his place.

Q. It was also very common, the type of fixture known as the Winship fixture; do you recall that, where they had a rather short frame mounted in the top of the cover, that swung out one or two inches——

A. There was a little fixture with a bar at the top. I brought that back from the East, I think, or I bought it back East.

Q. Do you recall such fixtures? A. Yes.

Q. Those Winship, or short bar fixtures didn't

(Testimony of Albert Kantrow.)

have any removable bar at the inner end to give compound folding on them?

A. The dress hung there on top, instead of here. It was here.

Q. Hung straight down to the bottom of the case? A. Yes.

Q. Didn't hang over any other bar? A. No.

Q. How many pieces of hand luggage does your store buy and sell during the course of a year?

A. It depends on the kind of luggage. I guess we sell a thousand a year, anyway; not this case, but we sell all kinds of luggage.

Q. Thousands? A. A thousand or two.

Q. A considerable number? A. Yes.

Q. How many pieces of luggage of the type of Exhibit S did you sell?

A. Well, at that time I was jobbing that stuff. I had no retail stores in 1928. I was manufacturing a cheap line of stuff.

Q. You weren't retailing at that time?

A. No, but I used to manufacture cheap stuff and better merchandise I used to buy from [379] H. Koch & Son. I jobbed it, and also bought from different places.

Q. How many did you job or sell during that period?

A. Pretty hard to tell. I guess I probably sold, I would say at least a hundred a month, sometimes 150; it depends on——

Q. For how long a period?

(Testimony of Albert Kantrow.)

A. I don't know. I guess to about 1931, 1932, somewhere in there.

Q. Well, there must have been quite a number of those cases sold? A. I sold plenty, yes.

Q. Your jobbing, I imagine, is in this particular territory, in the San Francisco territory?

A. Not exactly. I sold all around, all over.

Q. On the coast?

A. As far as the Hawaiian Islands.

Q. You sold quite a number of them throughout this territory? A. Yes, that's right.

Q. Have you any records available showing your purchases?

A. I really don't know. I don't think I have, probably not. If I can find them, it was 15 years ago.

Q. Quite a long time ago?

A. Well, 1928 when I started. I still buy merchandise from them right today.

Q. Today you are selling the type of fixture equipped frame in which the removable bars are right on the inner end of the frame? A. Yes.

Q. As between the type of case you are selling today and the type of case exemplifying Defendants' Exhibit S before us, which would you prefer to sell? A. Well, this case today won't sell.

Mr. Morsell: That is all.

SOL SILVERMAN,

Called by the Defendants; Sworn.

Mr. Trabucco: Q. Where do you reside, Mr. Silverman? A. 115 Justin Drive. [380]

Q. What is your occupation?

A. Luggage manufacturer.

Q. Are you one of the defendants in these cases?

A. Yes.

Q. I show you a suitcase and ask you if you can identify it. A. Yes, that is our make.

Q. Has it a garment-supporting fixture in it?

A. Yes.

Mr. Trabucco: I will offer this suitcase in evidence, your Honor, and ask that it be marked Defendants' Exhibit next in order.

The Court: Admitted and marked.

(The device was marked "Defendants' Exhibit T.")

Mr. Trabucco: Q. On this fixture do you notice any patent number? A. Yes.

Q. Will you kindly examine it and if you find a number will you kindly read it?

A. It is Presto-Lock Corporation, Garfield, New Jersey, patent No. 2,091,931.

Q. Does that number recall to you any particular patent? A. It is under the Levine patent.

Q. Who owns the Levine patent?

A. I buy the fixtures from the Presto-Lock Corporation.

Q. Does the Presto-Lock Corporation own the Levine patent?

(Testimony of Sol Silverman.)

A. I assume that is what it should be.

Mr. Morsell: This is merely hearsay.

Mr. Trabucco: Q. I call your attention to the Levine patent and ask you if it appears on its face as to who the owner is?

A. Abraham Levine, Elizabeth, New Jersey, assigned to Presto-Lock Corporation, Brooklyn, New York.

Mr. Trabucco: Yesterday this patent was introduced into the record for the purpose of identification. I will now ask it be marked as an exhibit in the case. It will take the same number.

(Exhibit I.)

Mr. Trabucco: Q. Are you now selling suitcases having the Presto-Lock fixture in them?

A. Yes. [381]

Mr. Trabucco: That is all.

Cross Examination

Mr. Morsell: Q. Plaintiff's Exhibit 8, which I show you, has been admitted as being a suitcase manufactured and sold by your company prior to the filing of the bill of complaint in this litigation. Will you please examine the fixture in this case and tell me of whose manufacture that is?

A. That is made by the Milwaukee Fixture Stamping Company, called a Rite-Way.

Q. It is made by the Milwaukee Stamping Company? A. Yes.

Q. You don't find any patent marking on this fixture, do you? A. No.

(Testimony of Sol Silverman.)

Q. This fixture in Plaintiff's Exhibit 8 is not made under the Levine patent, is it? A. No.

Q. What difference, if any, is there in principle between the fixture of Exhibit 8, the Milwaukee Stamping Company fixture, and the fixture on Defendants' Exhibit T, the Presto fixture?

A. The only difference in the way we manufacture is that the Presto has a better lock and it hasn't a wooden bar underneath.

Q. It is a matter of substitution of a metal bar at the junction of the frame members for a wooden bar?

A. And also a better locking device for the garment hanger.

Q. You are speaking of the locking device for the trolleys now? A. Yes.

Q. Do you not know, as a matter of fact, that this particular locking device for these trolleys is a subject of the Levine patent, owned by Presto?

A. I don't know.

Q. However, that is the main distinction as between the Presto fixture and the Milwaukee Stamping fixture, is that correct?

A. Yes. [382]

WILLIAM J. LOCKE,

Called by Defendants; Sworn.

Mr. Trabucco: I offer in evidence, your Honor, a drawing illustrating the operation of the Storch

(Testimony of William J. Locke.)

suitcase fixture, the defendants' suitcase fixture, the Wheary suitcase fixture, and the Shoemaker suitcase fixture.

Mr. Morsell: I have to object to this exhibit, your Honor. There has been no foundation laid as yet.

The Court: Lay the foundation.

Mr. Morsell: The purpose of it is what? I refer directly to the showing of the Storch patent. If counsel can show me in any of the views of any of the Storch patents a reproduction corresponding to the showing here, I will remove my objection, but this is a fanciful showing of what might be construed by changing the showing of the Storch patents.

Mr. Trabucco: As a matter of fact, your Honor, this drawing was prepared to illustrate the operation of the various devices disclosed by the patent in suit, and the witness will testify as to the manner of operation of the device as disclosed on the drawings.

The Court: He objects to the foundation.

Mr. Morsell: I would suggest, your Honor——

The Court: Maybe you can get a stipulation.

Mr. Morsell: I have no objection to counsel referring to and showing the defendants' type of case and the Shoemaker type of case, or the Wheary type of case, but if he wants to refer to the Storch [385] type of case I suggest he use the patent, itself.

The Court: Very well, if there is any question about it.

(Testimony of William J. Locke.)

Mr. Trabucco: I would like to admit it for the purpose of identification, your Honor.

The Court: It may be admitted and marked for identification.

(The drawing was marked "Defendants' Exhibit U for identification.")

Mr. Trabucco: I next offer in evidence a case having the embodiment of the Storch structure shown in Fig. 1 of the Storch United States patent.

The Court: Admitted and marked.

Mr. Morsell: I suggest there has been no foundation laid for the introduction of this, as to who made it.

The Court: That is true of all the cases.

Mr. Hursh: Your Honor, so far as the exhibits that were introduced on behalf of the plaintiff are concerned, there were stipulations, the defendants stipulated that they were made by the various defendant companies. Here we have a case that is introduced in evidence that has no parentage whatsoever.

Mr. Morsell: Every exhibit case we have offered in evidence has been thoroughly identified as to its manufacture.

Mr. Trabucco: It is not necessary to identify this, your Honor. The patent identifies it. An examination of the patent will readily indicate that this device is made in accordance with the teachings of the Storch patent.

The Court: The patent is here?

(Testimony of William J. Locke.)

Mr. Morsell: The patent is in evidence. I think the record should show who made this, and when it was made.

Mr. Trabucco: That is not necessary, your Honor. The device speaks for itself. Who made it is not material at all to the issues of this case. [386]

The Court: Proceed, gentlemen.

Mr. Trabucco: I ask that this case be marked Defendants' Exhibit next in order.

The Court: Admitted and marked.

(The device was marked "Defendants' Exhibit V.")

Mr. Trabucco: I next offer in evidence a case made in accordance with the teachings of the Storch patent, particularly the disclosures of Figs. 1 to 4, and I ask that this case be marked as Defendants' Exhibit next in order.

Mr. Morsell: The same objection.

The Court: The same ruling; objection overruled.

(The device was marked "Defendants' Exhibit W.")

Mr. Trabucco: Q. Mr. Locke, what is your present occupation?

A. I am superintendent of a luggage manufacturing concern.

Q. How long have you been engaged in this line of business? A. Since 1910.

Q. Where have you carried on your business?

A. To-day?

Q. No, in the previous years.

(Testimony of William J. Locke.)

A. I have had it in Philadelphia, New York, Chicago, Seattle, San Francisco, Los Angeles.

The Court: Q. Where are you located now?

A. In San Francisco, 446 Fremont Street.

Q. What excuse have you for being located here after making the rounds elsewhere?

A. I was a young fellow, I was looking for adventure, your Honor. I came out here during the time when we had the Exposition.

The Court: Which one, 1915, or the last one?

A. 1915.

Q. You have been here since?

A. I have been here since; I have been here since 1912.

The Court: All right, proceed. You are identified sufficiently for all purposes. [387]

Mr. Trabucco: Q. Were you in business in Seattle? A. Yes.

Q. Around the latter part of the '20s?

A. Yes.

Q. I call your attention to Defendants' Exhibit U for identification, and ask you to explain the operation of the various devices shown on that exhibit. A. This one, right here?

Q. The whole thing.

A. Every one of them, the Shoemaker types—

Q. Yes, all of it.

A. The Shoemaker type was originally made out of two pieces, one cover and one bottom. It has four opposite sides. It has a front and back and two

(Testimony of William J. Locke.)

gusses, what we call in manufacturing, or two ends. The structure of the case, the cover opens and it has a folding bar, or, rather, a fixture which holds a garment which is attached to the hinged side of the cover of the case. It drops down to the bottom of the case, or the body of the case, and it has a roller, or a rod which is bodily removed off the garment holder. Then the garment is folded over the rod, placed back to position near the hinged side of the case, which makes the garment break over the body of the cover. Then the fixture, itself, or the whole U-shaped part is folded over, which makes a secondary fold and folds into the cover of the case.

The Court: Very well, go to the next one. Speed it up. A. Then the Wheary one——

Mr. Trabucco: Before you go to the next fixture, will you kindly explain how the cover is hinged, or the garment-supporting member is hinged to the cover?

A. The garment-supporting member is hinged to the cover by a hinge on each side of the—it is directly hinged to the hinged part of the cover.

Q. How does the garment-supporting member drop into the cover?

A. Do you mean the fixture, itself? It is first rested on the body of the case. Then after the member that carries the garment is placed onto the fixture it swings up into the cover of the case. [388]

Q. Now, go to the next operation to the left of the Shoemaker type, namely, the Wheary type. Will

(Testimony of William J. Locke.)

you explain how the fixture in this device operates?

A. The fixture in this device is at this part of the body, here, connecting near the hinged part of the cover.

Q. Where do you find the pivotal connection of the garment-supporting member with reference to the cover hinge of the Wheary device?

A. The pivoting is in the cover with the hinge, or near the cover with the hinge.

Q. How does the garment-supporting member swing, upwardly into the cover, or adjacent the cover?

A. From the body into the cover of the case.

Q. In all of these devices shown on Defendants' Exhibit U, the full lines indicate the half swinging position of the various garment-supporting members and the dotted lines indicate the fully extended position of the various members. Similarly, the full lines in red indicate the position of the garment on the half swung garment-supporting member, while the broken lines in red indicate the position of the garment when the garment-supporting member is fully extended.

A. That's right.

Q. Proceed with the Storch Fig. 4 type.

A. The Storch Fig. 4 type is bodily connected to the side, or the free end of the cover of the case. That is not removable. It swings out; open it on top in a swinging position where you drape the garments over the rod and fold them into secondary position to the hinged side of the fixture. Then it

(Testimony of William J. Locke.)

has a secondary bar here. When it folds them it takes the secondary fold on the garment and goes into the cover of the case.

Q. Is the garment partially folded preparatory to the device being swung into the cover of the case?

A. It is folded over half; it makes a double fold up there. In other words, it is folded to one [389] side, and it is in two parts, and it swings over in that way, it swings over the secondary rod, which makes it a four-ply fold.

Q. You would call the uppermost part of the fixture the garment-supporting member, would you not?

A. The upper part? I would say it supports the whole garment on the rod——

Q. I am referring now to the upper part of this fixture.

A. The sides, or the bars?

Q. The entire fixture.

A. Yes.

Q. It is the garment supporting member?

A. Yes.

Q. What do you call these members that connect the lower end of the garment-supporting member to the opposite side-walls of the cover?

A. It is the complete structure of the fixture that holds up the upper parts.

Q. Are they ever referred to as connecting links?

A. That's correct.

Q. The first part of the folding operation comprises the half swing of the garment-supporting member, so that the clothes which are suspended

(Testimony of William J. Locke.)

from the uppermost hanger rod engage it on the rod which extends across the pivotal connection of the hanger member and the connecting links; is that not true? A. That's correct.

Q. The succeeding part of the folding operation is accomplished how?

A. The succeeding part, after it is moved from this position, closing up here into the inner, or the side, the free end side, it has a rod here, folds over here, and then this way. It is a slightly complicated structure, comes clear through, across the garment, here.

Q. Referring to the defendants' type shown on the upper right-hand figure, will you explain the similarity between that type of device and the Storch type? A. It is impractical—

Mr. Morsell: That is leading, your Honor.

The Witness: It is impractical. The structure is practically the same. On this type of fixture it has a resting place here, [390] where the Storch type has a different resting place. It folds down into the body, raises up. It has four rods and each one carries a garment, or two garments; folds back in, near the hinged side of the cover, and takes the secondary fold on the other side, the same as this one.

Mr. Trabucco: Q. Where do you find the garment-supporting member in defendants' device?

A. In this position, or each position?

Q. Both.

A. In the upper position the garment supporter

(Testimony of William J. Locke.)

is a rod right at the top of this fixture, takes the garment on the rod, place it back on the fixture.

Q. You are not familiar with the Shoemaker patent, are you? You are referring now, as I understand you, to the garment-supporting means from which—I am speaking now of the garment-supporting member.

A. That is a complete member here, all the way through. It has a rod, two rods, one rod on one side and one rod on the other side, this is the complete fixture.

Q. Referring to Defendants' Exhibit T, I will ask you to point out where the garment-supporting member is in this device.

A. Right here.

Mr. Morsell: For the record, indicating that the particular point is from the inner hinged connection of the top to the extreme outer end.

Mr. Trabucco: Q. May I ask you, what do you call these two bars which connect the outermost part of the garment-supporting member to the opposite hinged walls of the cover?

A. Two side rods, one rod on each side, connecting to the free side of the cover.

Q. Are they ever referred to as connecting links?

A. They are connecting links, connecting links, yes.

The Court: We will take a recess.

(Testimony of William J. Locke.)

(After recess:)

Mr. Trabucco: Q. Taking Defendants' Exhibit W, will you demonstrate the operation of this device?

A. It has the same [391] principle; it has a cover and a body, the same principle as any other garment-carrier for a lady's case. The fixture, the garment-carrier, is attached to the free side of the cover. It is swung out in this position. It has two rests or stays, we call these stays, on each side of the case. It is unfolded in this position. It is arranged so that you are able to place the garments, each garment folded over each rod, illustrating with this paper, taking one garment, one side, another garment slid in over the other one, another garment that way. Or, if you wish to place any more garments you place them like that.

Q. For the purpose of the record, where do you find the garments supported in the demonstration you are now making?

A. The garments supported on the rods, on each rod.

Mr. Trabucco: Let the record show the witness is indicating the uppermost rod.

The Witness: It is supported by these connecting links, as you call them; we in the factory don't call them connecting links. We just call them stay bars.

Mr. Trabucco: Q. Demonstrate how the garments are then folded and the bar projected into the case.

(Testimony of William J. Locke.)

A. It is removed this way, folded over, folded right in this way and folding inside of the cover of the case, in that position, it takes a secondary fold as it goes into it automatically.

Q. When the device is in a loaded position is the frame partially rotated prior to being projected into the case?

A. Yes, it is rotated. It takes a secondary rotation and folds over and goes into the cover of the case.

Q. Will you demonstrate with Defendants' Exhibit T the operation of this device?

A. This device is also attached to the sides of the cover, or the free ends of the cover of the case. It is then re- [392] leased from its holding position on top. It is resting into the body of the case. It is unfolded the second time from the connecting links in a standing position in front of the party who wishes to drape the dress over it. One rod is removed, the garment folded over the rod, it is placed in the same position over it, the garment on the top of the garment-holder, and it is then folded back to its position here, then raised from the body, which takes a secondary fold over the rod extending here and back into the cover of the case.

Q. I notice in Defendants' device marked Exhibit T the connecting links are in a horizontal position when the garment-supporting member is fully extended. Will you kindly show in connection with the Storch patent, Defendants' Exhibit W, how the

(Testimony of William J. Locke.)

device may be used in the same manner as shown in this device; remove the papers. What are you doing?

A. I am removing the multiple bars which carry a multiple amount of garments. I will put that into position where it can carry each one, two, or three garments on the same rod. This is the fixture, the garment-supporter, whichever you may call it, in technical terms. It is, in the same way, connected toward the free end of the cover. It is rotated once, then it is rotated again, the connecting links in an open position, or an extended position, an extended rod. Then the garments are draped over the rod in that position, either one garment or two garments. It is then rotated to the hinged position prior to the secondary fold, and is placed into the cover of the case.

Q. Do you find the same method of operation existing in respect to Defendants' Exhibit T and Defendants' Exhibit W? A. Identical.

Q. Will you also demonstrate how the connecting links may be positioned horizontally in the same manner as the connecting links in Defendants' Exhibit T?

A. I don't understand that question, sir. [393]

Q. How may the connecting links be positioned horizontally?

A. By merely removing this particular set of the stays and putting two supports on the side of the body, of the case, thus being in that position (indicating).

(Testimony of William J. Locke.)

Q. In principle you then have a device practically identical with that of the defendants; is that not true? A. Exactly.

Q. Where did you first see a device similar to the one shown in Exhibit W?

A. In my own factory.

Q. Where and when? A. In Seattle, in 1928.

Q. How did it come to your attention?

A. I was in business at that time, and they came out with the fixture that was horizontally across on one rod, which was called the Winship fixture, and naturally, to improve my line I was always—my eyes were wide open, and when they brought me a repair job from Frederick Knelson in Seattle I happened to notice it and it came to my attention, I looked at it, it was quite an elaborate fixture, it was so extensive, it was elaborate; I looked at the rods which were kind of bent up and I started to fix this, and it struck me at that time to try to improve on it.

Mr. Trabucco: That is all.

Cross Examination

Mr. Morsell: Q. With what company are you connected now? A. Friedberg & Grunauer.

Q. Are you a manufacturer of hand luggage?

A. Yes.

Q. Do you make and sell fixture-equipped hand luggage of the type here under discussion?

A. We do.

(Testimony of William J. Locke.)

Q. Would it be to the advantage of your company to have the Shoemaker patent in suit invalidated?

A. I don't know that it would, no. I only manufacture.

Q. You manufacture and sell?

A. I am only the superintendent. I [394] supervise the shop and the factory.

Q. But your company manufactures and sells fixtures equipped—wardrobe and hand luggage equipped with fixtures of the type under discussion here?

A. Yes.

Q. Will you please re-assemble that model of the Storch patent that you took apart a while ago?

A. Yes.

Q. You, of course, are familiar with the Storch patents, the United States patent and the Austrian patent?

A. I couldn't tell you that. I have never studied the patents.

Q. You testified here as to Fig. 4 being a reproduction of the Storch patents.

A. Fig. 4, not according to the specification; I am not a patent attorney. I don't understand your terms.

Q. You testified as to the showing of Fig. 4 here.

A. Because I remember when I fixed it, I repaired that cover.

Q. Let's get this clear: is Fig. 4, according to your understanding, a showing of the Storch pat-

(Testimony of William J. Locke.)

ent, the top left-hand view on Defendants' Exhibit U? A. Yes.

Q. Is it your opinion that this box, Defendants' Exhibit W, is an exact exemplification of the Storch patent? A. The box?

Q. The box with the fixture in it.

A. The construction of the box, yes.

Q. And the fixture? A. And the fixture.

Q. It is? A. Yes.

Q. Who made this box and fixture?

A. I couldn't tell you; I don't know.

Q. How about the box and fixture of Defendants' Exhibit V? A. I don't know.

The Court: Maybe you can get a stipulation on it. Who made these?

Mr. Morsell: I would like counsel to enlighten me on these. [395]

Mr. Trabucco: Mr. Wheeler had them made, your Honor. He had them made and sent them out from the East.

The Court: Anything else you want to know, Counsel? I am only doing that in the interest of time so we can get along here.

Mr. Trabucco: I might state that the witness here knows nothing about patents. He might have seen the drawings of the Storch patents and so forth, but he has not qualified and is not qualified to go into any technical detail so far as these patents are concerned.

Mr. Morsell: He apparently has qualified as an

(Testimony of William J. Locke.)

expert in this art. He testified to drawings here. He testified to these structures.

Mr. Trabucco: But not as a patent expert.

Mr. Morsell: He testified to these being reproductions of the Storch patents.

Q. I will ask you to refer to the drawings in the Storch United States patent offered in evidence by the defendants and tell me where you find any device in any of those drawings corresponding to the left-hand top view on Defendants' Exhibit U for identification? A. Right here.

Q. You are pointing to Fig. 4 of the patent drawing? A. Yes, Fig. 4.

Q. I call your attention to the fact that the top of the frame in Fig. 4 is a broken line in each instance; it was merely broken so as to avoid the necessity of duplicating and for saving space?

A. I couldn't understand that. I am not a draftsman.

Q. It is a broken line showing there, however, is it not? A. If you say so.

Q. I will refer you to the description of Fig. 4 reading—

The Court: He was just a mechanic brought here?

Mr. Trabucco: That is all.

The Court: When you get into patents you are going afield. I [396] don't view his testimony in that respect.

Mr. Morsell: Well, he has testified—

The Court: If there is any question about that you have the patent here.

(Testimony of William J. Locke.)

Mr. Morsell: Q. Referring to the Storch view of the sketch for identification in Defendants' Exhibit U, Fig. 1 of the United States patent drawing, where do you find justification for the showing of draping the garment as shown in red in the view over the end bar? Is it not a fact that in the drawing——

A. If you open the cover in that position——

Q. Now, please——

A. I don't understand this. If you can open the cover I could tell you exactly, but here on the drawing—if it is open, in the open position, that way, the clothes would hang in identically the same way.

Q. Please confine your answer to my question. In Fig. 1 of the patent do the garments drape down vertically from the hanger bar 2?

A. Vertically means straight down? They hang straight down.

Q. They are not shown as being wrapped over an end bar, are they, as shown in——

A. Not here, but it shows the fold here, the way it is folded there.

Q. It is not shown that way in the patent, is it?

A. Not on this one, not on No. 1.

Q. Referring to Fig. 1 of the United States patent drawing. I refer you to the drawing in the Storch Austrian patent in evidence as Defendants' Exhibit D, and ask you whether there is any showing of garments draped in that patent drawing and in the manner disclosed in Fig. 4, sketched in Exhibit U?

(Testimony of William J. Locke.)

A. Right here. This is the bar, comes this way, and then the secondary—takes the fold there.

Q. What is the reproduction of the line marked here by the bar 26 [397] in Fig. 2 of the Storch Austrian patent?

A. That is a rod, here, clear through to the connecting links.

Q. And a garment draped over that bar, is it not, hanging straight down?

A. I don't know. I couldn't tell you off-hand whether that is a garment there. It could be a garment.

The Court: Supposed to be?

Mr. Trabucco: Supposed to be.

The Witness: Could be a garment there.

Mr. Morsell: Q. If it is a garment it is hanging straight down, is it not, and not draped over any other—

A. In this position, yes, into the body of the case.

Q. I again refer you to Fig. 1 of the drawing of the Storch Austrian patent, and ask you whether the lazy tongs structure is shown as being folded downwardly—

A. I couldn't tell you anything about drawings. I don't understand drawings. I understand it has many folds in there, the lazy tongs come together, whether it is on the front or back I couldn't tell you from the drawings.

The Court: We don't expect you to do anything that you can't do.

(Testimony of William J. Locke.)

The Witness: It shows two here, one inside here and one on the outside. What are the outer lines supposed to be?

Mr. Morsell: A showing of the lazy tongs structure close up and on each side arm 28—does that appear—

A. I couldn't tell you. I wouldn't know how to answer that.

Q. Do you find any showing in the drawings of the Storch Austrian patent corresponding at all to Fig. 4 of the sketch for identification, Defendants' Exhibit U?

A. Yes. These, here, that way, in that position.

Q. Are you referring to Fig. 2 of the Storch patent?

A. This little connecting link and the other link on the top making this [398] up into the horizontal position.

Q. I am asking you to refer to any view in the Storch Austrian patent in its entirety and tell me whether the fixture there disclosed is similar to the showing in Fig. 4 of Defendants' Exhibit U for identification?

A. It is the same construction this way with the addition of the lazy tongs.

Q. Fig. 2 of Storch shows the lazy tongs structure, does it not?

A. No. It shows the complete attachment to the three sides of the cover extending and has like an elbow. Then from that second link the connections are lazy tongs.

(Testimony of William J. Locke.)

Q. It is lazy tongs up to the second link?

A. Yes.

Q. And does Fig. 4 in Exhibit U have a lazy tong structure shown? A. No, not here.

Q. I again refer you to the drawings in the Storch United States patent and the Storch Austrian patent, and would ask whether these patents disclose any suggestion of a removable connection for the lazy tong frame such as you have described and operated on Defendants Exhibit W, so the lazy tongs may be removed from the main frame. A. No, I don't see it there.

Q. In the structure of Defendants' Exhibit W, when the lazy tongs is moved forwardly in a clockwise direction, the model as constructed has, I believe, means which hit the end of the arms to prevent further movement and forward collapse of the lazy tongs; is there any justification for that arrangement in the showings of the Storch United States or Storch Austrian patents?

A. I don't know, I couldn't tell.

The Court: You don't see it there?

A. I don't see anything here with the exception of dots and lines.

Mr. Morsell: Q. There is nothing that you see there to prevent the forward folding of the lazy tong construction, is there, in a [399] clockwise direction?

A. I couldn't testify to that. I can't read blueprints, your Honor.

(Testimony of William J. Locke.)

Q. Is there any showing in either of the Storch patents wherein the main frame is brought down horizontally over the cover section of the case?

A. It doesn't show here.

Q. Does it show on either of the patents?

A. I couldn't tell you. I don't know whether they have that provision. It has a stop on here, on the side.

Q. Yes, 34, which prevents that going down, does it not?

A. Prevents it going down clear into the case, dropping inside the case.

Q. It prevents it from going any further than this 45 degree position because of it hitting the stop right there?

A. I couldn't tell whether that is 45 degrees or 90. I know it comes to a position opposite that stay.

Q. There is a stop 34 shown in the Austrian patent, is there not?

A. What 34 stands for, I don't know. It says 34 here, but whether it is the stop, I couldn't tell you.

Q. The translation of the Storch patent says, I direct your attention to this statement: "The supporting stirrup, 28"—that is the frame arm corresponding to this member on the model—"of the lazy tongs is secured in this position"—meaning a position swung upwardly to a certain extent—"by the connecting bolts 34 of the cover-holding straps 35." In other words, that describes an arrangement where these stays hit the bolt, just as you have it in

(Testimony of William J. Locke.)

your model, and it prevents this from dropping down into a horizontal position; is that correct?

A. The way you explain it it is correct.

Q. In your demonstration of the models allegedly exemplifying Storch patents, Defendants' Exhibits W and V, you placed pieces of paper over the transverse bars and then wound them to some of [400] the other bars of the lazy tongs structure. Do you find any support in the showing of either of the Storch patents for packing garments in that manner? A. Not in this one.

Q. Isn't it a fact that the showing in the Storch patent merely indicates the garment as being mounted on a bar and draped straight down?

A. I have to get acquainted with these drawings. You say this shows a supporting bar or rod holding it in position to drape it, the same as here?

Q. I am speaking of the manner in which the garments are draped around here; don't they hang straight down?

A. It is not necessary; it all depends which way you hang them. If you hang them straight down they hang that way.

Q. How does it show in the patent drawings?

A. In the patent drawings they show it straight down on this one, here.

Q. Now, in these models of the Storch patents none of the bars are removable, are they?

A. There is one that is entirely removable.

Q. Well, not for the purpose of taking it entirely out to load it with garments, is it?

(Testimony of William J. Locke.)

A. No.

Q. In loading this fixture with garments it is rather a complicated procedure, is it not, when you have to—

A. On this especial model it is.

Q. Well, on both of these models.

A. No, not on this one. It is a very simple device—

Q. To manipulate a fold in that case?

A. Manipulation, it all depends on who manipulates it.

Q. Would you care to manufacture and sell and offer to the public devices such as Defendants' Exhibit W and Defendants' Exhibit V?

A. This is a replica of a fixture, the same as the first aeroplane that was built.

Q. Will you please answer the question? [401]

The Court: Wait a minute. I think that is a mighty good description from my viewpoint. This is comparable to the first aeroplane which was built, isn't it?

The Witness: If you would bring me an aeroplane that was built in 1911 and bring one today I could absolutely tell you today's is better.

The Court: That is what I had in mind. I think any woman would have difficulty in either of these. I think sometimes we go afield and we get too much detail that don't serve any useful purpose. Let these various objects speak for themselves.

Mr. Morsell: Will you please take an actual garment, will you exhibit the manner of packing this Storch model W with an actual garment?

(Testimony of William J. Locke.)

A. Do you want me to explain that, your Honor?

The Court: No. My observation will be sufficient for all purposes. [402]

Afternoon Session

WILLIAM J. LOCKE

Recalled.

Cross Examination

(Resumed)

Mr. Morsell: Q. Mr. Locke, when was the first time that you saw these two exhibits, Defendants' Exhibits W and V, alleged to exemplify a showing of the Storch patent?

A. When I have seen them?

Q. Both of these two boxes as they are in the court-room today.

A. Approximately five or six days ago.

Q. That was the first time? A. Yes.

Q. They came from some other source?

A. I presume so.

Q. When did you first see this chart, Defendants' Exhibit U? A. Right now.

Q. Today was the first day you saw that?

A. Yes.

Q. I believe you testified this morning that your work was more in the practical manufacturing line and you are not exactly familiar with drawings; is that correct?

A. Not exactly; plain drawings I can under-

(Testimony of William J. Locke.)

stand but not anything that is in technical drawings.

Q. Did you have any difficulty in understanding the drawings on Defendants' Exhibit U, on your direct examination this morning?

A. I can in plain; no, I haven't in plain.

Q. But the drawings in the patent copies that I showed you, you had some difficulty in understanding them, is that right?

A. Yes, because they have writing on them and I don't understand writing, the writings, what is written in technical form.

Q. Well, the drawings, themselves, in the patents, do you understand what they show?

A. In straight lines, I do.

Q. I show you a copy of Wheary patent 1,799,877, which is in evidence as Defendants' Exhibit F. Does that patent show a well at the back of the body section of the case into which garments drape from the hanger frame?

A. Well, I am familiar with all these [403] fixtures and I know where it is located; it is located in the body of the case, here.

Q. Does this drawing, Fig. 1 of the Wheary patent, show a well in the bottom of the case into which a lower end of the garment drapes?

A. Explain that. Do you mean of all the garments hanging inside here?

Q. Inside the little compartment formed by a division in the back of the body of the case.

(Testimony of William J. Locke.)

A. Correct.

Q. There is a division in the body of the case for a well? A. Yes.

Q. And the loose end of the garment hangs into that well?

A. Yes, if it is straight. It shows here in the well.

Q. As it is shown in the patent, itself?

A. Yes.

Q. Is there any such showing in the lower left-hand view allegedly exemplifying the Wheary structure in Defendants' Exhibit U?

A. No, it doesn't show here.

Q. So in that respect it doesn't correspond with the patent, does it?

A. The drawing, you mean; this drawing, here?

Q. Yes. A. No.

Q. I say in that respect—

Mr. Trabucco: If the Court please, that drawing is not admissible for the purpose of showing the structure in these prior art patents. It merely shows a skeletonized view of the operating parts of the device.

Mr. Morsell: Q. Have you studied the Shoemaker patent here in suit? A. No.

Q. Have you read and studied the Wheary patent exemplified by the lower left-hand view in Exhibit U? A. No.

The Court: He has not studied any of the patents at all. This man is simply a mechanic.

(Testimony of William J. Locke.)

Mr. Morsell: I understood that, your Honor, but he testified this [404] morning to familiarity with these structures and drawings.

The Court: Only the drawings there and straight lines. He didn't know the technical terms. He didn't attempt to construe any of the claims or anything else. I think we are wasting a lot of time with this witness so far as what is going to be useful from my point of view of getting the merits of this case. I think it is a waste of time.

Mr. Morsell: I wish to make a motion at this time that Defendants' Exhibits W and V and U, the two box exhibits and the chart be stricken on the ground of no proper foundation having been laid for same, the witness having admitted there are discrepancies between the showings in these exhibits and the patents.

The Court: I am going to allow them to stay in. They speak for themselves.

Mr. Morsell: My only concern is that in view of the difference between these devices and the patents I am going to have to spend considerable time with my expert in offering a record on that.

The Court: You may do whatever you see fit to do. I tried to indicate my own state of mind in relation to that testimony, as to the value of it, aside from observing him and making comparisons.

Mr. Hursh: If your Honor please, what we complain of is the fact these structures are not built according to any of the patents in suit. They were

(Testimony of William J. Locke.)

introduced by Mr. Trabucco as exemplifying the Storch patents, but if your Honor wants to see what the Storch patents teach you can turn to the patents. We don't like to have physical exhibits that are in any way changed from the original structures.

The Court: That is a matter of degree. That is a matter for the Court to determine so far as it can. [405]

Mr. Trabucco: As a matter of fact, these devices are made in accordance with the Storch patents.

Mr. Hursh: There are a number of additions.

The Court: There is no doubt about a number of additions. I have observed that when they were presented. If they are not material they will go out, but they are here, and it is a matter of the weight of the testimony. The Court doesn't necessarily have to accept everything that is presented here.

Mr. Trabucco: If the Court please, I would like to read a few excerpts from the patents, themselves.

The Court: I suggest we get through with this witness on the stand.

Mr. Morsell: I have finished with the witness, your Honor. [406]

IRVING C. ROEMER,

Recalled for Plaintiff in Rebuttal (previously sworn).

Mr. Morsell: Q. You previously testified in this case, Mr. Roemer, on behalf of the plaintiff?

A. Yes.

Q. Are you familiar with and have you studied the United States patent to Storch, introduced in evidence by the defendants, and the Austrian patent to Storch, also in evidence? A. Yes.

Q. Will you please refer to your patent copies of those two patents and state first whether or not the illustration in Defendants' Exhibit U finds its basis, in your opinion, in either of the Storch patents, and also mention the mode of dress-draping covered by those patents.

A. I think in Defendants' Exhibit U the illustration which purports to be of the Storch patent is unjustified in view—

The Court (Interrupting): Is that the Austrian patent?

A. I don't know, sir, because—I don't know, I am referring to [408] either the Austrian or the United States patent, I don't know which one the drawing is taken from. I don't find justification in the United States Storch patent, either the Austrian or the United States—

The Court: Either one?

A. In neither of them.

Q. All right. Assign the reason.

(Testimony of Irving C. Roemer.)

A. For the disclosures of Exhibit U for the patent doesn't disclose a single frame. It does say more than one, one of those frames may be used. I will refer to the frame that is pivoted from the end of the arms, the frame that carries the draped garment in red on Exhibit U, and the Storch patent definitely prohibits the swinging of the frame in the manner that it is shown in this view. There, of course, the drawing is made to indicate that a garment is draped as the garment lies over a bar at the outer end of the swinging frame arm and then a bar is folded inwardly so the garment is secondarily draped at another point; that is, at the outer end—that would be folded all the way in and the entire thing would then be folded up into the cover, whereas in the Storch patent the folding of this member which swings at the end of the supporting member is in the opposite direction; it must be in the opposite direction in that Storch United States patent, as well as the Storch Austrian patent, as there is an arrow which indicates the manner of folding and unfolding. It is true in the Austrian patent there is a reference to swinging in either direction, but the Austrian patent says that this has been—when the frame is folded up in the top this portion, the swinging portion, which is, in fact, a lazy tongs arrangement, and in a single frame, as shown here, swings upwardly first, and it clearly illustrates that and says it may swing in one direction, not meaning that it can be swung

(Testimony of Irving C. Roemer.)

out or back, but the direction is that indicated by the arrow in the drawing. So this drawing, here, works exactly opposite of the teachings of either of the patents. [409]

Furthermore, there are means in the Storch patents that prevent the swinging of this in the direction it is indicated to swing in this exhibit. There are straps which limit the swinging movement when the lazy tongs are brought out, and they are supported by a strap which is fastened between the top of the body of the suitcase and the strap end of the lazy tongs and balances in that position. It calls the strap a tension member, and another arm is a compression member, so that that strap positively prohibits functioning of the device in the manner that it is purported to function in this drawing.

The strap I refer to is that indicated at 20 in the United States patent, the arrows in Fig. 1 of the patent, and the arrow is also shown in the other.

Mr. Morsell: Q. In the Storch patents to which you refer, is there any indication in the specifications that that strap is detachable or removable?

A. None, whatsoever.

Q. As long as it is attached any folding operation must of necessity be one toward the body section of the case, is that true?

A. That is correct.

Q. Have you any comment to offer with respect to whether or not there is any basis in the Storch

(Testimony of Irving C. Roemer.)

Austrian patent in the exemplification as to a showing of a pivotal structure which omits the complicated lazy tongs mechanism?

A. No. The Austrian patent shows various forms of lazy tongs and other folding arrangements, but in all of the drawings of the Austrian patent it has a complicated set of bars more or less in every instance like a lazy tongs which folds and unfolds at the end of the arms which support them.

Q. Have you any further comments to offer with respect to the comparison between Defendants' Exhibits W and V and the Storch United States or Austrian patents in their structure and mode of operation? [410]

A. I think that Exhibits W and V are not true to the patent from which they are supposed to be taken, any more than the drawing is. They do have a lazy tongs arrangement on them and as long as that remains on them they are true to that extent, but they make the lazy tongs arrangement fold in the wrong way, and in these exhibits lazy tongs, or garment-supporting members are made to fold into the cover of the box. In Storch's patents these lazy tongs would be closed; after they have been closed they swing around in this manner, here. The assembly that prevents it swinging in this model certainly is not right, because the Storch patents definitely teach they must swing in this manner (indicating). The patent drawings are shown here,

(Testimony of Irving C. Roemer.)

so if you try to swing these in this manner they would hit against this cover. Outside of putting a strap down here, I don't know whether this is supposed to represent a strap, but it isn't means that is shown in the patents. In the Storch patents it is brought around and around, this direction, and then there is a strap here which prevents it. There is evidently in the patent a piece of leather or something which prevents it going any further. That is the way the device gets support. The patent calls it a tension member, and this a compression member, it balances between those two points. When you want to fold it up it is folded and swung around in that manner. You can't swing this model—swung into place exactly backward from the way the model works. In my estimation this model certainly doesn't show anything like the Storch patents.

Q. In the Storch patents is there any justification for the various removable connections here appearing on Exhibit W which permits its being disassembled so as to result in merely an inner and an auxiliary frame?

A. None, whatsoever.

Q. None shown there in any type in either of the Storch patents?

A. No, no detachable parts on it at all. [411]

Q. In the Storch patents, are any of the rods upon which the garments are draped detachable?

(Testimony of Irving C. Roemer.)

A. No, no detachable rods. I might make reference there, there are in certain instances some auxiliary parts shown in these models which are called pants hangers and hose stretchers. They are sort of frames or reels to which an article of clothing may first be wound and then snapped into place on this lazy tong and then the lazy tong folds up in the regular manner, but none of the rods that are shown in these models, none of the same rods in the Storch patents would be removable rods.

Q. Are you familiar with and have you studied the various patents offered in evidence by the defendants herein, either for purposes of alleged anticipation or showing the state of the art?

A. Yes, I have.

Q. I would like you to kindly refer to the Von Ohlen patent first, one of the defendants' exhibits, and discuss whether in your opinion that patent compares in any way with the Shoemaker patent in suit and the two accused structures of the two defendants.

A. I fail to see any connection between the structure of this Von Ohlen patent and the structures that are in evidence in this suit. In the first place, the Von Ohlen patent relates to a wardrobe trunk. It is a rather large trunk, as shown in the drawings, and one that assumes a vertical position, and when opened hinged in two parts, and snaps between the two hinged parts. There is a framework

(Testimony of Irving C. Roemer.)

or gate that swings out and occupies the position between those parts and a horizontal-extending bar upon which hangers may be placed. When the trunk is closed the hanger and the clothing which might be hung on it occupies both halves of the trunk. There is no need nor means for carrying the trunk in the position that a suitcase is carried, and if the trunk were so carried the garments supported by these hangers would simply be in a terribly mused condition unless [412] they were very securely tied in place. It has none of the elements of the invention of the patent in suit. It is an entirely different character of device.

Q. You are familiar with the claims of the Shoemaker patent which are relied on in this suit?

A. Yes.

Q. Will you state whether or not the Von Ohlen patent has a garment-supporting means removably carried by the hinged side of a supporting member in the frame as positively required by Claims 4, 8, 10, 11, 12, 19, 23, and 24 of the Shoemaker patent in suit?

A. No. The garment-supporting means of the Von Ohlen patent are conventional clothes hangers, and they hang on the bar on this gate, but not in accordance with the claims in the patent.

Q. In the Von Ohlen patent is there a garment-supporting member or bar for the primary folding of a garment and a folding edge on the free end of a supporting member or frame on which gar-

(Testimony of Irving C. Roemer.)

ments are secondarily folded, as required in relied-upon claims 8, 10, and 11 of the Shoemaker patent in suit?

A. No. In the Von Ohlen patent the garments hang very much as they do in a closet or wardrobe. There is implicated no fold in the garment.

Q. In the Von Ohlen patent is there any disclosure of means of retaining the supporting member in packed position in the cover of the case with the garment supported in parallel relationship to the normal carrying position of the luggage required by Claim 10 of the Shoemaker patent?

A. No, there isn't.

Q. In the Von Ohlen patent is there a garment-supporting member connected to the hinged side of the cover portion and adapted to be hinged to a horizontal position over the body portion when being packed?

A. No, there isn't. Von Ohlen's trunk doesn't assume that sort of position and it wouldn't operate in that manner if it was in that sort of position.

[413]

Q. The last element being required by Claim 11 of the Shoemaker patent. In the Von Ohlen patent is there a primary and secondary folding means for supporting garments on the supporting member in parallel relationship to the normal carrying position required by Claim 12 of the Shoemaker patent?

A. No.

(Testimony of Irving C. Roemer.)

Q. Will you now refer to the Boden patent offered in evidence by the defendants and make any comments you may want on it, as to its applicability to Shoemaker's patent in suit, and to the two structures of the defendants herein contained.

A. The patent to Boden, No. 935,958, is directed to a display packing case, a case with a glass or transparent top used for packing garments so that they may be observed through the glass. It is a type of case common for packing burial shrouds where people want to see the garments laid out in a position where they may be easily viewed and one of several garments selected. The case opens like an ordinary suitcase and then it has two transversely-extended bars around which the garment is wound, or, you might say, between which the garment is woven or draped to extend across the cover. They are carried on little packing arms that may be swung up and down. In placing the garment in there it must be laid over the bar. There is no arrangement whereby a garment may be conveniently packed, or automatically folded. It is not a suitcase. It has not got a garment-supporting member that carries a removable hanger bar or anything of that sort.

Q. Does the Boden patent illustrate a cover hinged to the body of a piece of luggage?

A. No, it does not.

(Testimony of Irving C. Roemer.)

Q. Does it illustrate or disclose a garment-supporting member hingedly connected to the hinged side of a case, as required in a number of relied-upon claims in the Shoemaker patent in suit?

A. It doesn't.

Q. Is there any suggestion in the Boden patent of a garment-supporting [414] member connected to the hinged side of the cover and adaptable to be hinged to a horizontal position over the body portion when being packed?

A. No, there is not.

Q. Is there any suggestion of a garment-supporting member having a hinged side connected to one side of the case and the other side adapted to swing to a position adjacent to the other side of the cover?

A. No, there isn't.

Q. In the Boden patent is there any suggestion of a disclosure of a means for retaining the supporting member in packed position in a cover with the garments supported in parallel relationship to the normal carrying position of the luggage?

A. No.

Q. Will you now please refer to the O'Neill patent, No. 1,150,058, which has been offered in evidence by the defendants, and discuss the applicability or lack of applicability of this patent respecting the Shoemaker patent in suit, and the defendants' structures here accused?

A. The patent to O'Neill is directed to a dress suit case, or what I might term a piece of luggage.

(Testimony of Irving C. Roemer.)

It is a piece of luggage in which there are two hinges between three relatively-hinged elements so that the luggage may be completely opened up and laid in a flat position, as contrasted to luggage where the case is raised to a vertical position and held in that position by stays.

The O'Neill luggage can be opened up to a perfectly straight position to lie flat on the floor, or may be hung up by its handles. The garments are placed in the O'Neill case on regular garment hangers, the conventional clothes hanger, and they hang on a bar shown at 23 in Fig. 1. With the O'Neill device hanging up on a horizontal bar, the garments hang as if they were in a closet. When it is time to close the luggage, when the garments are all in, the two disposed hinged sections of the luggage are swung up to form a box and encircle those garments; the front portion of the garment is hanging and [415] the intermediate portion of it lies flat on the bottom of the case, and the latter part of it, which would be the tail of the coat or the cuffs of the trousers are standing up vertically, so when you pick up the case to carry it the vertical position would settle down into the bottom of the box.

In the O'Neill case there are what may be termed dividing members or panels, one hanging down in front of the upper part of the garment, the other extends up in front of the lower part of the garment when it is draped in the case, and they are

(Testimony of Irving C. Roemer.)

pushed apart to compress the garment in place and leave a space in the intermediate portion of the luggage within which other articles may be packed.

Q. In the O'Neill patent do you find a garment-supporting member hingedly connected to the hinged side of the cover as required by claims 4, 8, 10, 11, 12, 19, 23, and 24 of the Shoemaker patent in suit? A. No, I don't.

Q. In the O'Neill patent do you find a garment-supporting member connected to the hinged side of the cover portion and adapted to be hinged to the horizontal position over the body portion when being packed? A. No, I don't.

Q. Will you now please refer to the Shroyer patent offered in evidence by the defendants, this patent being U. S. patent No. 1,200,248, and discuss this patent in connection with the Shoemaker patent in suit and the defendants' accused structures?

A. The patent to Shroyer is another patent for a trunk which provides for carrying garments in the trunk by the use of a frame which may be swung upward out of the body of the trunk and which includes a portion upon which clothes hangers may be hung. It is for convenience in packing a trunk and in unpacking a trunk to hang a garment on these hangers with the frame swung up to a vertical position so they can be hung as if they were hanging in an ordinary closet or [416] wardrobe. When they are all placed in position they are strapped

(Testimony of Irving C. Roemer.)

into position and the framework is placed in front of them, straps brought down to keep them from being jostled around in the trunk, and the entire framework with the clothes packed in it is swung back down into the trunk, and that is about all there is to it. There is no provision for folding the clothes in any particular manner. They are just carried on clothes hangers.

Q. Those hangers are at the end of the frame?

A. The hangers are at the upper end of the frame when it is raised to its vertical position. It is pivotally connected with the body of the trunk.

Q. Under any circumstances would those hangers ever become disposed adjacent the hinged connection of the frame of the piece of luggage?

A. No, they do not.

Q. In the Shroyer patent do you find a garment-supporting member hingedly connected to the hinged side of the cover as specified in a number of the relied-upon claims in the Shoemaker patent?

A. No, sir, I do not.

Q. Do you find a garment-supporting means or removable bar hangers removably carried by the hinged side of the garment-supporting member?

A. No, I do not.

Q. Do you find garment-supporting means for the primary folding of garments and a folding edge on the free side of the supporting member on which garments are secondarily folded in the Shroyer patent?

A. No, I do not.

(Testimony of Irving C. Roemer.)

Q. Do you find in the Shroyer patent any means for retaining the supporting member if placed in the packed position in the cover of the case with the garments supported in parallel relationship to the normal carrying position?

A. No. It is disposed in the body of the case and the garments are in a different position.

Q. Do you find a garment-supporting member connected to the hinged [417] side of the cover and adapted to be hinged to a horizontal position over the body portion when being packed?

A. No.

Q. Do you find in the Shroyer patent primary and secondary folding means for supporting garments on the supporting member in a parallel relationship to the normal carrying position of the luggage? A. No.

Q. Will you now please refer to the Simmons patent offered in evidence by the defendants herein, being United States Patent No. 1,208,221, and discuss this patent in connection with the Shoemaker patent in suit and the structures of the defendants herein complained of?

A. The Simmons patent is directed to a packing device similar to what we just referred to as a suit box, a pasteboard suit box of the type that tailors use to pack a suit or garment, or of the type used by dry cleaners, and this box is made with pasteboard flaps, and it may be used to arrange clothes in the box in the manner that shirts come home

(Testimony of Irving C. Roemer.)

from the laundry, to retain a shirt in an ironed condition. It is not a suitcase. It is not intended for use as a suitcase. It could not be used as a suitcase. It is a temporary packing box of pasteboard upon which the garments are hung to prevent them from being wrinkled. There is no hinged cover on it, no removable hanger rod.

Q. In the Simmons patent before you, in addition to the lack of the hinged cover, do you find this patent lacks the garment-supporting member hingedly connected to the hinged side of the cover?

A. Yes, it does. It does lack that.

Q. Do you find in the Simmons patent a garment-supporting means removably carried by the hinged side with a supporting member or frame?

A. I do not.

Q. In the Simmons patent do you find a means for retaining the supporting member or frame in packed position in the cover with the garments supported in parallel relationship to the normal [418] carrying position of said luggage?

A. I do not.

Q. In the Simmons patent do you find a garment-supporting member or frame having one side connected to the hinged side of the cover and the other side adapted to swing to a position adjacent to the other side of the cover?

A. No, I do not.

Q. Will you please refer to the United States Patent to Fasel & Garland, offered in evidence by

(Testimony of Irving C. Roemer.)

defendants, this being United States Patent No. 1,382,964, and discuss this patent in connection with the Shoemaker patent in suit, and the defendants' structures herein complained of?

A. The Fasel & Garland patent is for a suitcase and it relates to removable hanger bars mounted within the free end of the cover section of the suitcase. When the case is opened the bars are arranged at the upper end of the cover and the cover being in a vertical position; these bars may be removed to have a garment draped over them and placed back in the cover again very simply. What we have been referring to here as hanger bars or hanger rods. The patent shows two of them removed from the cover, and the patent also shows some forms, what appear to be a frail material like paper or pasteboard, or, perhaps, a thin piece of wood for facilitating the draping of a garment over these bars. The garment is placed on these forms and then draped over the bars and then placed in the cover of the suitcase.

Q. Will you please examine Defendants' Exhibits S and L and refer to the individual bars in these cases and sockets mounted therein and state whether or not those sockets and bars, if used in the upper end of the suitcase cover, would correspond to the showing in the Fasel & Garland patent?

A. Yes, they would, with the exception that the sockets in the Fasel & Garland patent are of a dif-

(Testimony of Irving C. Roemer.)

ferent type mechanically. If the sockets in this Exhibit S [419] were removed and placed in the upper part of the case rather than the lower part where we find them the arrangement would be exactly the same as that shown in the Fasel & Garland patent. The patent shows two bars in the upper part of the case for holding this single bar, one above the other.

Q. Is it your opinion the Fasel & Garland patent teaches using a removable bar in the upper end of a suitcase cover? A. Yes.

Q. The sockets and bars of these defendants' exhibits referred to, being S and L, could be assembled in a case in the upper end of the cover as taught by Fasel & Garland?

A. Yes, they could.

Q. In the Fasel & Garland patent do you find a garment-supporting member hingedly connected to the hinged side of the cover? A. No.

Q. As required by a number of Shoemaker claims in issue? A. No.

Q. Do you find in the Fasel & Garland patent a garment-supporting means or bar for effecting the primary fold of a garment carried over the folding edge on the free side of a supporting member for effecting secondary folds in the garment?

A. No.

Q. In the same patent do you find any means for retaining the supporting member in packed position in the cover of the case with the garments

(Testimony of Irving C. Roemer.)

supported in parallel relationship to the normal carrying position of the luggage? A. No.

Q. In the Fasel & Garland patent do you discover any primary and secondary folding means for supporting garments on supporting members in parallel relationship to the normal carrying position of the luggage? A. No.

Q. Will you please refer to the Tiedemann patent offered in evidence by the defendants herein, this being United States Patent [420] No. 1,435,673, and discuss that patent in connection with the Shoemaker patent in suit and the defendants' accused structure?

A. The Tiedemann patent is another patent that is directed to a box for garments but is another which relates to one of the type of boxes used for displaying dresses, coats, burial shrouds or like articles. It is an open type of box arranged so that the garments disposed in it will be on display. There is a panel around which one end of the garment may be wrapped so the main front portion of the garment is disposed on top of that panel.

There is a hanger screwed to one end of the box, itself, or, rather, supported from a screw hook in one end of the box. The garment is draped on that hanger and one end of the garment is wound around the opposite end of the panel and one end of it is concealed beneath that panel. It is not a piece of luggage in any sense of the word, and it does not provide for double folding or draping of the garments.

(Testimony of Irving C. Roemer.)

Q. Does the Tiedemann patent disclose a cover hinged to the body of a wardrobe case?

A. No, it doesn't disclose any cover.

Q. Does it disclose a garment-supporting member hingedly connected to the hinged side of a cover?

A. No. The garment panel, the panel on which the garment lies in this is an independent removable piece. It is not hinged to the box or any part of it.

Q. Does it disclose a garment-supporting means in the form of a bar or hanger removably carried by the hinged side of a supporting member?

A. No.

Q. Does it disclose a garment-supporting member having one side connected to the hinged side of the cover and the other side adapted to swing to a position adjacent to the other side of the cover?

A. No.

The Court: We will take a recess for a few minutes. [421]

(After recess):

Mr. Morsell: Q. Will you please refer to the Langmuir patent offered in evidence by the defendants, United States Patent No. 1,698,848, and discuss this patent in so far as it may or may not pertain to the Shoemaker patent in suit, and the defendants' accused structures?

A. The Langmuir patent is directed to a luggage but discloses luggage made in the form of a trunk

(Testimony of Irving C. Roemer.)

rather than a suitcase. As a matter of fact, it is a wardrobe trunk that is shown. One-half of the trunk hinges away from the other, the trunk normally resting in a vertical position, and there is provision for hangers in the hinged half of the trunk. The so-called trolleys or extensible bar is shown so that clothes may be hung on those bars when the garments are hung on the hangers when the trunk is closed. After it is closed there is a panel 17 shown in Fig. 2 which folds upward so as to engage the lower part of the garment and tuck it up into the space provided for carrying garments.

Q. Does the Langmuir patent disclose a garment-supporting member hingedly connected to the hinged side of the cover?

A. No, it doesn't.

Q. Does it disclose a garment-supporting means removably carried by the hinged side of a supporting member? A. It doesn't.

Q. Does it disclose means for retaining a supporting member in packed position in the cover of a case with the garments supported in parallel relationship to the normal carrying position of the luggage? A. No.

Q. Does it disclose a garment-supporting member connected to the hinged side of a cover of a luggage case and adapted to be hinged to the horizontal position over the body portion when being packed? A. No, it doesn't.

Q. Does it disclose a garment-supporting member having one side [422] connected to one side of

(Testimony of Irving C. Roemer.)

the cover and the other side adapted to swing to a position adjacent to the other side of the cover?

A. No, it doesn't.

Q. Will you please refer to the Lengsfeld United States Patent offered in evidence by the defendants, either the original patent or the re-issue, the showing is the same, and discuss the disclosures in this patent with reference to the Shoemaker patent in suit, and the accused structures?

A. The Lengsfeld patent is directed to a garment carton and is another of those patents which show a pasteboard suitcase. Cardboard stiffener members are used interiorly of the carton to retain the garments in place. It is a carton. It doesn't have a hinged cover or a telescopic cover like the ordinary suit box, pasteboard suit box.

Q. Is there an indication of a garment-supporting member hingedly connected to the hinged side of the cover? A. No.

Q. Is there a garment-supporting means or hanger removably carried by the hinged side of the supporting member? A. No.

Q. Is there in the Lengsfeld patent a means for retaining the supporting member in packed position in the cover with the garments supported in parallel relationship to the normal carrying position of the luggage? A. No.

Q. Is there any showing of a supporting member which connects to one side of the cover and is adapted to swing to the position adjacent the other side of the cover? A. No.

(Testimony of Irving C. Roemer.)

Q. Please refer now to the Winship patent offered in evidence by the defendants, this being United States Patent No. 1,728,223, and discuss this patent in connection with the Shoemaker patent in suit, and the accused structures of the defendants.

A. Winship patent is directed to a wardrobe hat box, or a box similar to several suitcases in evidence here. That is similar in its [423] general shape. It has a body member and a hinged cover member which stand in a vertical position when it is opened and at the upper portion of the cover member when it is open there is a bar upon which a garment may be draped. This bar is carried on little brackets which are pivoted within the upper or free end of the cover so it can be swung out to a more or less convenient position for draping the garment, and the garment is draped over this single bar, and in the event that the garment is too long to be retained entirely in the cover, which it would necessarily be the case of an ordinary lady's dress, for example, the ends of the garment hang down into the body portion of the box, but there is provided a special well for that purpose. In other words, there is a partition in the box to maintain separately a space for the ends of the garment to gather into, when the cover is closed and the end of the garment goes around the upper edge of that partition and is bunched in this partition. The longer the garment the more bunching and mussing there will be within that well.

(Testimony of Irving C. Roemer.)

Q. Does this patent provide any means for obtaining a secondary fold in the garment in addition to the primary fold?

A. None, whatever.

Q. Does the Winship patent disclose a frame or garment-supporting member hingedly connected to the hinged side of the cover?

A. No. The garment-supporting member is at the free side of the cover, at the uppermost end of the cover when the suitcase is opened.

Q. Does it disclose anything in the way of a garment-supporting means or hanger bar removably carried by the hinged side of the supporting member? A. No.

Q. Does it disclose any means in the nature of a garment-supporting member hinged, or connected to the hinged side of a cover and adapted to be hinged to a horizontal position over the body portion of the luggage when being packed?

A. No. [424]

Q. Does it disclose a primary and secondary folding means of supporting garments on the supporting member in parallel relationship to the normal carrying position of the luggage?

A. No.

Q. Please now refer to the Laprade patent offered in evidence by the defendants, being United States Patent 1,742,656, and discuss the patent in its relationship to the Shoemaker patent in suit and the accused structures of the defendants herein?

(Testimony of Irving C. Roemer.)

A. The Laprade patent is directed to a traveling bag. The bag has two hinged pieces and at the hinged point there is a separating panel which when the bag is opened, when the frame is opened it may be raised to a vertical position, and at the upper end of this panel there are means for supporting garment hangers so that a garment may be placed on that hanger and secured to the panel. The structure shows the lower end of the garment draped down into the body of the bag where it must be folded when the bag is closed and means for placing a secondary fold in the garment, and means for draping it. It is held more or less in the same position when the bag is closed.

Q. The garment hanger is at the end of the panel?

A. It is at the outer end of the panel.

Q. Remote to the hinged end of the panel?

A. Yes, that is correct.

Q. Does this patent disclose anything in the nature of a garment-supporting means for effecting the primary fold in a garment and the folding edge on the free side of the supporting member on which garments are secondarily folded?

A. No.

Q. Now, referring again to the Storch patents, either the United States Patent or the Austrian Patent, or both, do these patents disclose garment-supporting means removably carried by the hinged side of the supporting member as required by a

(Testimony of Irving C. Roemer.)

number of relied-upon claims in the Shoemaker patent? A. No, they do not.

Q. Do the Storch patents disclose a garment-supporting member [425] connected to the hinged side of the cover of the case which is adapted to be hinged to a horizontal position over the body position when being packed? A. No.

Q. What is the disposition of that frame in the Storch patents when it is being packed?

A. To just the frame, do you refer?

Q. I mean the supporting frame designated by the reference character A.

A. The framework A is in a vertical position when the trunk is opened, with its cover and its body portion both in a horizontal position.

Q. Will you now refer, please, again to the Wheary patent offered in evidence by defendants, being United States patent 1,799,877, and discuss this patent in connection with the Shoemaker patent in suit and the defendants' accused structures?

A. The Wheary patent, which is directed to a hand luggage, shows a framework which has a pivotal support with the body portion of the luggage. The frame is secured to removable members. There are sockets provided. The sockets are shown at 32, for example, in Fig. 1 of the drawing, and the frame, the pivotal members of the frame slide into these sockets so the frame may be swung relatively to the body portion. Garments are draped over a horizontal bar at the outer end of the frame,

(Testimony of Irving C. Roemer.)

and the garment, if too long to be held in the cover, the end extends down into the body portion. When the frame is in its vertical position the bar over which the garments are draped is up adjacent the free end of the cover and the free end of the garment hangs down into a specially provided well in the rear portion of the body portion of the luggage.

Q. Is the frame in Wheary connected to the body section of the piece of luggage or to the cover section?

A. It is connected to the body section of that luggage.

Q. Does the Wheary patent disclose a garment-supporting member [426] hingedly connected to the hinged side of a cover? A. It does not.

Q. Does it disclose a garment-supporting means removably carried by the hinged side of the supporting member? A. No.

Q. Does it provide any means whatsoever for effecting a secondary fold in a garment?

A. No.

Q. Will you now please refer to the Pownall patent offered in evidence by the defendants, and being United States Patent No. 1,810,786, and please discuss this patent in its possible relationship to the Shoemaker patent in suit, and the defendants' accused structures.

A. The Pownall patent is directed to a luggage carrier, or a suitcase, the cover of which contains a sort of folding case or flat hingedly connecting

(Testimony of Irving C. Roemer.)

members which may be opened out from the cover and which support bars upon which garments may be draped. After the garments are draped on these bars they are tied to this hinged panel by straps which are brought down over the garments and then the whole form is placed back in the cover as though the garments were being wrapped in a piece of paper, or something of that sort. The garments are then folded without the use of a secondary folding means by having them folded between two flat panels and placed into the case and held in there by sockets, or something of that sort. Much the same effect is obtained as though the garments were laid on top of a panel and folded in half and then placed in the cover or tied into position.

Q. With reference to the panel, where is the bar mounted on which the garments are initially draped?

A. At the outermost end of the panel.

Q. At the free end of the panel?

A. At its free end, yes.

Q. Does this patent disclose a garment-supporting means removably carried by the hinged side of a supporting member?

A. No, it doesn't.

Q. Will you please refer to the Hopkins patent offered in evidence by [427] the defendants, it being United States Patent No. 1,861,274, and discuss this patent in connection with the Shoemaker patent and the defendants' accused structures?

(Testimony of Irving C. Roemer.)

A. The Hopkins patent is directed to a packing holder for coats and other garments. The structure of the patent is very simple. It shows two parallel bars spaced by end bars. It is just a rectangular frame around which garments may be wrapped preparatory to placing them into any type of luggage. The coat or trousers of a man's suit, or any type of garment, may be placed on these two bars and then the bars turned around, or in the manner of a reel, or the garments wrapped round and round and held in position, and prevents them from being mussed when it is placed within the luggage.

Q. Does this patent disclose a piece of luggage comprising a body portion and a cover portion hinged to the body portion?

A. No, it doesn't disclose any hinge.

Q. Does it disclose a garment-supporting member hingedly connected to the hinged side of a cover of a piece of luggage?

A. No, it doesn't.

Q. Does it disclose a garment-supporting member removably carried by the hinged side of—garment-supporting member or—

A. No.

Q. Now, will you please refer to the Levine patent offered in evidence by the defendants, this being U. S. Patent 2,091,931, dated August 31, 1937. Will you please state when the application for the Levine patent was filed?

A. It was filed April 16, 1936.

(Testimony of Irving C. Roemer.)

Q. How does the filing date of the Levine patent correspond with the filing date and the issue date of the Shoemaker patent here in suit?

A. Let me correct myself. The original application was filed April 16, 1936. The application for this patent, which is a divisional application of the original, was filed March 29, 1937. [428]

Friday, March 15, 1940

IRVING C. ROEMER,
Recalled in Rebuttal.

Direct Examination
(Resumed)

Mr. Morsell: Q. Mr. Roemer, yesterday we started a discussion of the Levine patent No. 2,091,931. Will you please refer to this patent? Will you please state the structure covered by that patent, the invention purportedly covered thereby?

A. This patent relates to a garment-supporting device and it relates particularly to the means on which the garment hangers are supported; that is, the so-called extensible trolleys or little plungers which hold the garment-supporting bars in place on a fixture that fits within the suitcase. [431]

Mr. Morsell: Please indicate briefly what the claims of the Levine patent in question cover.

A. Could I refer to a model in doing that?

(Testimony of Irving C. Roemer.)

Q. Yes.

A. Every claim of the Levine patent is limited to the structure which supports the garment bars on a fixture in a suitcase. That structure is a little tube with a plunger in it and snaps at [432] the end of the plunger and a hook on the ends of the garment bars. The Levine patent is directed solely to that portion of a fixture.

Q. Will you please refer to the Cahn patent in evidence by the defendants herein, this being United States Patent No. 1,572,203, and please mention the structural features that patent discloses?

A. The Cahn patent is directed to a dress and suit folder. Reading from page 1, beginning line 13, the patentee says:

“This invention relates to improvements in garment-wrapping or folding devices used in connection with the wrapping of both men’s and women’s garments for delivery to the customer from the store in which they are sold, or from a cleaning establishment.”

It is a device for holding a pasteboard panel in such a manner that that panel might be rotated; a garment is fastened to the panel, the panel is then rotated so the garment is wound about it, and then the panel and the garment are placed in a pasteboard suit box, or the like, for transportation.

Q. Does the Cahn patent disclose a box-like container comprising a body section and a hinged cover section? A. No.

(Testimony of Irving C. Roemer.)

Q. Does the Cahn patent disclose a garment-supporting member hingedly connected to the hinged side of a cover? A. No, it doesn't.

Q. Does it disclose a garment-supporting means removably carried by the hinged side of a supporting member? A. No.

Q. Does it disclose in any manner or means a supporting member in the packed position in the cover of a case with the garments supported in parallel relationship to the normal carrying position of the luggage? A. No, it doesn't.

Q. Does it disclose a garment-supporting member connected to a hinged side of a cover and adapted to be hinged to the horizontal position over the body portion of the luggage after being packed?

A. No.

Q. Will you now please refer to the Cuthbert patent offered in [433] evidence by the defendants, herein, United States Patent No. 1,184,931, and discuss what this patent discloses?

A. The Cuthbert patent is directed to a box for garments and discloses a box within which a garment may be placed, and in the event the garment is longer than the box there is provided a pivotal U bar or rack that swings upwardly from the bottom of the box so that the lower portion of the garment may be draped over that bar, and through the medium of that bar so arranged in the box that the garment may be displayed regularly. The box is not shown with a cover member on it, but a cover

(Testimony of Irving C. Roemer.)

may be placed on the box. There is no provision for handling the box conveniently, or for draping the garment in the box. No particular means are provided for securing the garment in the box, but the patent says that it may be secured in the box.

Q. Does the Cuthbert patent disclose a garment-supporting member hingedly connected to the hinged side of the cover or housing? A. No.

Q. Does the Cuthbert patent disclose a garment-supporting means removably carried on the hinged side of a garment-supporting member?

A. No, it doesn't.

Q. Does it disclose a garment-supporting means for effecting the primary fold of a garment and a folding edge or free side of the supporting member on which garments are secondarily folded?

A. No, it doesn't.

Q. Does it disclose any means for receiving the supporting member in packed condition in the cover with garments supported in parallel relationship to the normal carrying position of the luggage?

A. No.

Q. Does it disclose a primary and secondary folding means for supporting garments on the supporting member in parallel relationship to the normal carrying position of the luggage?

A. No.

Q. Please now refer to the Hamlin patent offered in evidence by the [434] defendants as showing the state of the art, this being United States Patent No. 1,869,418, and discuss this patent.

(Testimony of Irving C. Roemer.)

A. The Hamlin patent, which is directed to a luggage carrier, discloses frames around which garments may be draped. It is a frame which is an entirely separate part of the luggage in which it is to be carried. The garments are placed on the frame and wrapped around the frame, or one edge of it; then the entire frame is picked up and placed into the cover of the case. There are no means, and it would be impractical, if not impossible, to place a garment on this frame while the frame was in the luggage. The frame must be taken out of the luggage, apart from the luggage, to have a garment placed on it, then returned and secured into the cover of the luggage, as taught by the patent.

Q. When the frame is placed in the luggage to what portion of the luggage is it connected?

A. On one shoulder of the frame there are small lugs which ride on slides that are in the upper portion or free end of the cover member. That is the only connection between the frame and the cover member.

Q. Does that frame have any hinged connection with the inner end of the cover? A. No.

Q. Does the Hamlin patent disclose garment-supporting means removably carried by the hinged side of the supporting member? A. No.

Q. Please now refer to the Burchess patent offered in evidence by the defendants, this being United States Patent 1,081,014, and discuss this

(Testimony of Irving C. Roemer.)

patent in connection with the Shoemaker patent in suit, and the accused structures of the defendants.

A. The Burchess patent is for a suitcase. The suitcase has a body portion and a hinged cover portion, and within the hinged cover portion is what might be termed a large removable leather envelope. The envelope is made so as to carry small articles, and it is made [435] removable from the cover portion so that valuable papers might be stored behind it. The object of the patent is to provide a secret compartment for carrying valuables in a suitcase, the cover of a suitcase.

Q. Does the Burchess patent disclose a garment-supporting member hingedly connected to the hinged side of the cover?

A. No, it doesn't.

Q. Does it disclose a garment-supporting means or bar removably carried by the hinged side of the supporting member? A. No.

Q. Does it disclose an arrangement including a garment-supporting bar for the primary folding of the garment and a folding edge on the free side of a supporting member for effecting the secondary fold of a garment? A. It doesn't.

Q. Is the secret compartment of Burchess adapted to be hinged to a horizontal position over the body of the piece of luggage when being packed?

A. No, it isn't.

Q. Please now refer to the O'Donnell patent of-

(Testimony of Irving C. Roemer.)

ferred in evidence by the defendants, this being United States Patent No. 1,094,087, and discuss this patent.

A. The O'Donnell patent is for a garment hanger and box therefor. The patent discloses another form of suit box such as might be used by a laundry or clothes cleaning establishment or tailor for packing various types of garments. The structure consist of a pasteboard panel which serves as a hanger over which a garment may be draped and around which part of the garment may be wrapped; and it has a handle portion or means upon which it may be wrapped. Then there is a box constructed in the manner of an ordinary pasteboard suit box and having slits in the sides of its body member and of its cover member so when the garment is placed in the box the handle of the hanger extends through the slits and the entire assembly may be carried by that handle. [436]

Q. Does the O'Donnell patent disclose a cover hingedly connected to portions of the luggage cover?

A. No; no, it doesn't.

Q. Does it disclose a garment-supporting means removably carried by the hinged side of a garment-supporting member? A. No.

Q. Does it disclose a garment-supporting member connected to the hinged side of a cover and adapted to hinged to a horizontal position over the body of the luggage when being packed?

A. No.

(Testimony of Irving C. Roemer.)

Q. Please now refer to the Boyd & Keller patent offered in evidence by the Defendants, this being United States Patent No. 1,185,971, and discuss this patent.

A. The Boyd & Keller patent relates to a wardrobe trunk composed of hinged parts; one-half of the trunk carries extensible trolleys for the support of clothes hangers. It is the conventional wardrobe trunk which stands in a vertical position and in which the clothes hang vertically with no means for folding or draping. They hang on ordinary clothes hangers which are supported within the trunk on the trolleys.

Q. Does the Boyd & Keller patent disclose a garment-supporting member hingedly connected to the hinged side of the cover? A. No.

Q. Does it disclose a garment-supporting means removably carried by the hinged side of a garment-supporting member? A. No.

Q. Does it disclose a garment hanger or bar for the primary fold of a garment and a folding edge on the free side of the supporting member on which garments are secondarily folded? A. No.

Q. Does it disclose a garment-supporting member connected to the hinged side of the cover and adapted to be hinged to a horizontal position over the body portion when being packed?

A. No.

Q. Does it disclose primary and secondary folding means for garments on the supporting member

(Testimony of Irving C. Roemer.)

in parallel relationship to the normal carrying position of the luggage? A. No.

Q. Will you now briefly refer to Steuwer Patent offered in evidence [437] by the defendants, this being United States patent No. 1,641,705, and discuss the disclosures in this patent?

A. The Steuwer Patent relates to a garment holder. It doesn't disclose a piece of luggage or a box of any sort, but discloses a rectangular adjustable frame over which a garment is placed before it is packed in luggage of any type. The frame is adjustable in two positions so that it may be made of any desired size to fit any particular garment, and it is intended to hold the garment in an uncreased condition when it is packed in the luggage with other garments.

Q. Does this patent disclose a piece of luggage including a body section and a hinged cover section?

A. No, it doesn't disclose any luggage.

Q. Does it disclose a garment-supporting member hingedly connected to the hinged side of the cover of a piece of luggage? A. No.

Q. Does it disclose garment-supporting means removably carried by the hinged side of a garment-supporting member? A. No.

Q. Will you now please refer to the Levine patent No. 1,799,521, offered in evidence by the defendants herein, and discuss the showing in this patent?

A. The Levine patent relates to a pivotal—

(Testimony of Irving C. Roemer.)

Mr. White: May I interrupt? Is this the same Levine patent that he testified to before?

Mr. Morsell: No. This is the other Levine patent.

Mr. White: It was pleaded but I don't think it was introduced in evidence.

Mr. Trabucco: No, it was not.

Mr. White: That patent is not introduced in this suit; we did not rely on that.

Mr. Morsell: That patent is not relied on? Very well, we [438] will eliminate the discussion of that.

Please refer to the Duverge British patent offered in evidence by the defendants and discuss the showing in that patent.

A. The Duverge British patent No. 174,647, relates to a garment-supporting device to be used in wardrobe trunks. It has a frame or H-shaped cross section with a garment hanger attached to it and hooks or means by which it may be placed on the so-called trolleys of a wardrobe trunk. The garments are put on the hangers and wrapped around this frame, which is a member entirely removable from the trunk or luggage in which it is packed.

Q. Does it disclose a garment-supporting member hingedly connected to the hinged side of the cover of a piece of luggage?

A. No, it doesn't.

Q. Does it disclose garment-supporting means in the nature of a bar or hanger removably carried

(Testimony of Irving C. Roemer.)

by the hinged side of a garment-supporting member? A. No, it does not.

Q. Does it disclose a garment-supporting member connected to the hinged side of the cover portion of a piece of luggage and adapted to be hinged to a horizontal position over the body portion when being packed? A. No.

Q. Now, kindly refer to the Schwartzenger British patent offered in evidence by the defendant and discuss the showing in this patent.

A. The Schwartzenger British patent relates to luggage and it discloses again a frame of H-shape which may be removed from the luggage and about which a garment may be wrapped, and the frame has two parallel bars, and it is intended that a garment be wrapped around these bars for packing, and after the garment is wrapped the bars or whole frame is placed into the cover of the luggage.

Q. Does this patent disclose a garment-supporting member hingedly connected to the hinged side of a case, or the cover of a case? [439]

A. No, it doesn't. The only connection between the cover and the garment-supporting member in the Schwartzenger patent is that the free end, or free side of the cover.

Q. Does it disclose a garment-supporting means removably carried by the hinged side of the supporting member? A. No, it doesn't.

Q. Does it disclose a garment-supporting member connected to the hinged side of the cover por-

(Testimony of Irving C. Roemer.)

tion of a piece of luggage and adapted to be hinged to the horizontal position through the body portion when being packed? A. No.

Q. Will you please refer to Defendants' Exhibit L, luggage case allegedly embodying the early development of Mr. Maurice Koch? I would like to have you take that and explain why the lower part of the fixture jumps out of its socket mountings, so we may have an explanation of the reason for that?

The Court: Why not try the one that doesn't jump out? The testimony explains that. He said he didn't make it up; somebody else made it up, and made a mistake.

Mr. Morsell: Well, there is just one point I want to develop, your Honor.

The Court: I will say this, so you can follow my state of mind, if either of these have any value or relation to the merits of this case it is the one that is corrected.

Mr. Morsell: Q. In Defendants' Exhibit S, the corrected Koch structure, what takes place when the frame is moved from a horizontal position to a vertical position within the cover of the case with respect to the distance between the bar at the outer end of the frame and the bar at the inner end of the frame?

A. Referring to the bar at the inner end of the frame as the garment hanger, and the bar at the outer end as the folding edge, when the frame is in its horizontal position there is a measurable [440]

(Testimony of Irving C. Roemer.)

distance between the garment hanger and the folding edge. When the frame is swung to its pivotal position, that distance increases very materially so that as a garment is being packed, as it has been packed in demonstration of this model, one of two things must happen, the garment must be dragged over the folding edge or the garment must be stretched more than an inch within about a foot of its length.

The Court: Get a garment and illustrate it. Wasn't there a demonstration here that disclosed that, if my memory serves me? Am I correct in that?

Mr. Morsell: Yes, it has been demonstrated. I just would like to have this witness explain what happens.

The Witness: May I demonstrate from there to show the amount, the actual measurement?

The Court: Well, why do you differentiate between those two?

The Witness: There is no difference.

The Court: Well, then, why is it you are trying to put on a demonstration on this particular one? That is the one that the socket jumped out of.

The Witness: Yes. That is caused by the fact that the inner bar can jump out, which shows the measurable——

The Court: The reason I suggest that is this: on this the bar went in there in the manner the witness testified. **It is probably one of those things** that happens. He wasn't there when the first one

(Testimony of Irving C. Roemer.)

was installed, that is his testimony, if I follow it. Is that correct?

The Witness: That is correct, your Honor, but the bar is still in exactly the same position.

The Court: I know, but this bar doesn't jump out like the other one did. [441]

Mr. Morsell: There is the same relative position between the two, and we simply want to show the amount of elongation which takes place.

Mr. White: That was measured, your Honor. As I recall it it was 11 or 12 inches, or about one and a half inches different.

The Court: There was a difference of an inch and a half or two inches.

Mr. Morsell: I am content to let the matter rest there. I would simply ask the witness whether in his opinion that elongation which takes place during the packing of the garment is objectionable.

A. I should say it were definitely objectionable.

The Court: All right. Demonstrate that.

The Witness: I will demonstrate first on Exhibit L. I do this simply to show the distance that the garment must be stretched if the bar had been held in its position. We find the bar is raised out of its socket a distance more than an inch, so that if this garment——

The Court: An inch or an inch and a half?

A. Yes. If this garment, if the bar had remained in place it would have placed a considerable strain on the garment, or caused the garment to be draped over the outer bar.

(Testimony of Irving C. Roemer.)

The Court: All right, now try the other one.

Mr. Trabucco: In making this demonstration, your Honor, I would suggest the witness grasp the garment-supporting member and not the dress which is on the bar.

The Court: Your position is it will slide?

Mr. Trabucco: Yes, it will slide over the rod if you do it that way.

The Witness: That is exactly what I am saying, that if it is dragged over the rod, your Honor—

[442]

The Court: In the event it is, what would happen?

A. You are placing a strain on the garment.

Mr. Morsell: In the event of a sheer garment, such as these garments are customarily composed of, silk garments, what would be the result?

The Court: All right. Now, let's have the demonstration.

A. The garment must be dragged over this bar, the outer folding edge; it must be dragged over the same distance that the bar in the last demonstration was pulled out of its socket, about an inch.

The Court: But their answer to that is that it is pressed in shape.

The Witness: That is quite correct, one part of the garment—

The Court: Isn't that the point?

Mr. White: That was the testimony of Mr. Koch.

The Witness: One part of the garment is pressed or stretched and all of the rest of the garment is

(Testimony of Irving C. Roemer.)

in a draped position. It doesn't press this part of the garment; it just imposes a strain on the other part of the garment. This is naturally draping a garment like this on a bar, and in this manner it stretches the garment at one point.

The Court: In that respect, what does the Shoemaker patent say?

A. In the Shoemaker patent the garment hanger—

Mr. Trabucco: I suggest the demonstration be made with reference to the Shoemaker exhibit.

The Court: All right. Let's be practical. We theorize on these things a great deal. Now, make the other one.

A. In the Shoemaker patent the garment hanger over which the garment is primarily draped is so arranged with respect to the folded place over which the secondary fold is made that when it is folded there is no necessity for dragging the garment over the outer end of [443] the frame; just fold it over the other frame.

Mr. White: May I suggest that hanger be pushed in there its full length?

The Witness: The garment on both sides of the frame now is loosely draped.

Mr. White: Let the record show two things, your Honor; one is that the demonstration was made on Plaintiff's Exhibit 6 and the expert testified to it as being a demonstration of the Shoemaker patent, and, secondly, that there was an elongation within

(Testimony of Irving C. Roemer.)

the distance between the stationary pivotal points and as it came out it can be measured, if the expert will measure it.

Mr. Trabucco: I suggest that measurement be taken, your Honor, if there is any doubt of the testimony.

The Court: Take the measurement, if it is.

Mr. Morsell: Referring to the patent drawing of the Shoemaker patent—

Mr. Trabucco: We object to—

The Court: Let's get through with this demonstration before we go any further.

Mr. Trabucco: We object to it unless there is a statement about this elongation, that there is an elongation also in this exhibit,—

The Court: Mr. Expert, give us the benefit of your experience.

The Witness: I don't believe that there is.

The Court: I don't know whether there is or not.

The Witness: I don't believe that there is a lengthening.

The Court: It is subject to cross-examination.

The Witness: As a matter of fact, I don't know, myself, because it might be measured in a very small fraction of an inch.

The Court: Well, all right, give us the small fraction of [444] an inch.

The Witness: May I have something to measure with?

Mr. White: We wish to have the measurement

(Testimony of Irving C. Roemer.)

go from center, as it was made originally on this model.

The Witness: On the defendants' model? I think I should make these measurements the way I wish.

The Court: We will do it just the way I order. While I am here there is one thing I am expected to do, and that is to conduct this hearing. I will do that. Now, you take the center, which we did in the other one.

The Witness: From the center of the garment bar, I mean of the hanger bar, to the center of the garment-supporting bar in the horizontal position is $13\frac{1}{8}$ inches, the same measurement with the part swing to a vertical position, center to center, is $13\text{-}\frac{3}{16}$ inches. Am I right?

Mr. White: Yes. Now, your Honor——

The Court: Wait; what was that distance?

A. A difference of $\frac{1}{16}$ of an inch.

The Court: All right.

Mr. White: Let the record show the measurement was made on a multiple holder from the top roller, not from the bottom roller of the hanger bar.

The Court: Well, that is only another inch.

Mr. White: Another inch difference.

The Court: It wouldn't make very much difference, I imagine; would it?

The Witness: It wouldn't make any difference, your Honor, because if a garment is hung on the bottom——

(Testimony of Irving C. Roemer.)

The Court: All right. If it does—you don't show us the difference. Measure it from the bottom and see where we are. [445]

Mr. White: Measure it from the bottom.

The Court: Then we will be satisfied.

Mr. Trabucco: Take out the upper hanger rod.

The Court: Get the difference in that length from top to bottom.

A. The measurement from the bottom bar must be taken to follow the garment—first up this way, over the other bar, and then out this way. That is the way it must be done.

The Court: Everybody is watching everybody else. If you take it from the bottom what would it be?

A. I think there would be considerable difference.

The Court: Let's find out what it would be.

Mr. White: We wish the record to show it is a multiple fixture instead of a single bar.

The Court: Certainly.

Mr. White: In the defendants' structure there is only a single bar so the demonstration should be identical with the single bar in each case.

Mr. Trabucco: I suggest the demonstration be made with the bar in its natural position and not in its swung-back position.

The Court: Put it in the natural position.

The Witness: If your Honor please, I don't know exactly where to measure it——

(Testimony of Irving C. Roemer.)

The Court: Do the best you can.

The Witness: But the perpendicular—I will take the measurement in a horizontal position from the center of the bottom hanger bar to the center of the folding edge of the frame and I find it to be 13 inches.

The Court: All right.

Mr. Morsell: Remove the frame to its vertical position in the case. [446]

The Court: Now, leave it identical as it was before when you measured across.

A. I measure now and find the distance to be 14-1/4 inches, a difference of an inch and a quarter, and I would like to say—

The Court: Well, wait just a minute.

The Witness: I would like to say if there were a garment on this rack in this position that the bottom bar is sliding perfectly free and makes up that inch and a quarter and makes the measurement come exactly the same.

Mr. Trabucco: Suppose there were garments on the other hanger rods, would that same effect take place?

A. No. There would be still a difference, and my first measurement would have been entirely wrong, because the garments would then come up about this far and I would have had a little in excess of fourteen measurement to begin with, and there would still be a fourteen-inch measurement on the final measurement.

Mr. Morsell: In the Shoemaker patent in suit as exemplified by the patent drawings on the chart,

(Testimony of Irving C. Roemer.)

Plaintiff's Exhibit 9, where is the removable bar carried with reference to the frame?

A. The removable bar is carried between brackets which are secured to the frame.

Q. In moving the frame from a horizontal position to a vertical position, will there by any appreciable elongation between the two bars?

A. There will be absolutely no difference between them in swinging the frame from its horizontal to vertical position, because they are both affixed to the same member.

Q. There will not be any elongation of a garment or rubbing of a garment as the frame is moved? A. None, whatsoever.

Q. What is the condition in this regard with respect to the two structures of the defendants which we are concerned with herein? [447] I now refer you to Plaintiff's Exhibit 7, a case that is manufactured by the defendants Koch.

A. In this case there is no difference in the measurement between the hanger rod and the folding edge as the fixture is swung from its horizontal to its vertical position.

Q. What is true in this regard with respect to Plaintiff's Exhibit 8, the complained of structure of the Silvermans in this litigation?

A. The same is true here. The hanger bars and folding edge do not move relative to each other in

(Testimony of Irving C. Roemer.)

folding that frame. The distance between them is always the same.

Mr. Morsell: That is all on direct examination.

Cross Examination

Mr. White: Q. Mr. Roemer, I will call your attention to Fig. 9 of the Shoemaker patent which is not shown on the enlargement there. Will you examine it? It is not shown on Plaintiff's Exhibit 9. I will ask you whether it is not true in that instance that the hanger rod is secured to the cover and not to the frame of the garment-supporting member? A. That is true.

Q. Doesn't Shoemaker show in his patent a structure in which elongation would take place similarly to that here demonstrated in connection with Defendants' Exhibit S?

A. That was not my testimony.

Q. I asked you is it true or is it not true that Shoemaker in his patent shows a modification of, or a form in which the same elongation would take place as you testified to in connection with the defendants Exhibit S?

A. Are you referring then to Fig. 9?

Q. I am asking you a question.

A. The answer to the question is no.

Q. Which means your contention is the Shoemaker patent doesn't show any such form, is that correct?

A. That is correct. I would like to say—

(Testimony of Irving C. Roemer.)

Q. What is correct, my contention or yours; does it or does it not show?

A. It doesn't show a structure where the garments are stretched in being placed in the cover of the case. I want to say that in Fig. 9 it is impossible to tell the exact relationship between the hinges on the member 12 and the supporting connection of the bar 30, but the way I look at Fig. 9 I think it would be impossible to do any stretching in that figure, and I think it would be necessary of the structure shown in Fig. 9, it would necessarily be the reverse, and when the garments are placed on there the garments would be more loosely draped in folding there; there would be no stretching.

Q. May I call attention to the two little hinges with four dots on each side on Fig. 9 of the Shoemaker patent over the word "No. 16", which is at the hinged side of the frame, isn't it? There are two hinges near each end which have a sort of fancy outline and four dots here. Isn't it true that when the hinges—that those are hinges on each side of 16 on the supporting frame? A. Yes.

Q. Could you therefore determine the relationship between the hinged end of the supporting frame and the bar 30 when bar 30 is separately supported in the cover?

A. Yes, to a certain extent you can, but this is a view taken on a cross section through the cover in its open position, as though you were looking down; consequently the bar must be positioned higher, or at least as high as the hinges on member

(Testimony of Irving C. Roemer.)

16 which are fastened to the lower members shown in this view.

Q. Isn't it true the Shoemaker patent doesn't show any form in which there are multiple hanger bars supporting the garment frame or in the cover?

A. There are no drawings in the Shoemaker patent which disclose that.

Q. I would ask you whether there is any showing in the Shoemaker patent [449] which would suggest that the hanger bar or rod is slidable upwardly under stress or pulled in the manner you demonstrated in the operation of Plaintiff's Exhibit 6?

A. No, there is nothing like that in the patent.

Q. Therefore that sliding arm C you referred to in connection with the operation of Plaintiff's Exhibit 6, so far as the rods are concerned, is not part of the teaching of the Shoemaker patent; is that correct?

A. That is correct.

Q. If you had such sliding take place then there would be a turning up into the cover, the entire frame, just the same way as it is in Defendants' Exhibit S; isn't that correct?

A. Certainly not. Are you speaking about the disclosure of the patent or this particular—

Q. We speak of the models which have no sliding arms. The same strain would occur, wouldn't it?

A. If there were no sliding arms I don't know what the bars would look like. They couldn't be

(Testimony of Irving C. Roemer.)

in that position. It would be an entirely different thing.

Q. It has only one bar?

A. It has only one bar.

Q. The bottom bar?

A. I don't know whether—I don't know where the bottom would be positioned.

Q. The same position as it is *not*.

A. It couldn't be a removably detached bar and have no sliding arm in a structure of that sort.

Q. Couldn't it have the same structure as Fig. 9 of the Shoemaker patent with a pin in the end and a little socket?

A. Yes, that box may be made like Fig. 9 of the Shoemaker patent.

Q. I don't say the box. I say the lower part of Plaintiff's Exhibit 6 to be supported in the same manner as the bar is supported in Fig. 9 of the Shoemaker patent, and whether that wouldn't be a removable bar in a fixed position?

A. To be a removable bar in a fixed position. Now, to answer your question, if the bar 30 of Fig. 9 of the Shoemaker patent were placed in Exhibit 6 and the [450] supporting frame 12 were placed in Exhibit 6 there would be no stretching of the garment when it was swung to its position within the cover.

Q. In the same relative position as they are placed in Plaintiff's Exhibit 6?

A. Yes, as shown on Fig. 9 of the patent. I don't mean to be avoiding your question, Mr.

(Testimony of Irving C. Roemer.)

White. I would be very glad to explain it in detail if you wish to have me do so.

Q. Well, so far as the explanation goes, as I understand your contention it is that you are looking at the figure 9—

A. Yes. I think you misunderstand Fig. 9.

Q. Were the frame turned around over the box and the hanger bar is behind it in the cover—is that correct—and your contention is that so far as both frames go the bar may be above or below or any other place relative to the side?

A. No, that isn't. May I make myself clear?

The Court: Surely.

A. Fig. 9—Mr. White, would you care to look, because I think—

Mr. White: Yes.

The Witness: It is my belief you misunderstand Fig. 9. Fig. 9 is a view of a suitcase as though it were cut off here and you are looking down here.

Mr. White: It is a plan view?

A. A plan view of a suitcase opened and a section through the cover of the case in its folded position. Fig. 9 shows hinges, the little irregular marks you referred to on the hinged side of the cover right close to the hinge of the cover member, the lowermost side of the cover, in this direction. That is the hinged point of the folding frame in Fig. 9. In Fig. 9 is shown a removable bar 30. That removable bar 30 can not be lower than those

(Testimony of Irving C. Roemer.)

hinges because of the fact that the hinges are the lowermost part of the cover. It would be impos-
[451] sible to have that removable bar 30 lower than the hinges, and it would be necessary to have it a little higher than the hinges. To make room to place a garment on it it would have to be higher. Consequently, being higher than the hinge when you bring this up you have shortened the distance between the folding edge and the removable rod; you would not lengthen the distance.

Mr. White: That is correct. Take the same structure as my question pointed to, if the same structure as shown in Fig. 9 of the same plan was incorporated in connection with the frame shown in Plaintiff's Exhibit 6 then the position you just described would be reversed.

A. No. That would depend entirely upon the position in which you put the removable bar.

Q. My question was directed to the lowermost bar in the multiple fixture as shown in Fig. 6, because that is what you demonstrated in comparing the defendants' structures.

A. You have asked me about Fig. 9. If you place a single bar below the pivotal connection in this model there would be a stretching. If you placed the pivotal bar, as it is in Fig. 9, as it undoubtedly is, it must be above the pivotal connection. There wouldn't be any stretch, there would be a relaxing of the tension on the member as it was pivoted up.

(Testimony of Irving C. Roemer.)

Q. Which means, in your judgment, the garments would correspond under those conditions?

A. The garments would hang, would drape on the upper bar.

Q. There wouldn't be a slide in the opposite direction?

A. There would be no drag over the bar, no. The garments would then freely drape on the upper bar.

The Court: We will take a recess for a few minutes.

(After recess.)

Mr. White: Q. Is it your opinion, then, Mr. Roemer, that the [452] claims of the Shoemaker patent are limited to hanger frames of such type where there is no elongation of turning the frame between the hanger rod and the free end or pivotal strip of the hanger frame?

A. I won't say that the claims are limited that way, but the claims are directed to a structure in which there would be no elongation of the garment.

Q. Therefore, they would exclude structures in which there is such an elongation?

A. Not necessarily.

Q. The question is whether you are in position to commit yourself whether they are inclusive or exclusive. We are trying to determine the scope of the claims of the Shoemaker patent, of course, at this time.

(Testimony of Irving C. Roemer.)

A. Well, I think it is a very difficult thing to do in just that manner, because when a claim is a broad claim it might include many other things. For me to say every possible structure that Shoemaker claims might include would be impossible. I say that the Shoemaker claims are directed to a structure in which there would be no stretching of the garment.

Q. Do you remember your testimony yesterday in connection with the Austrian and the United States Storch patents? You remember the structures?

A. I do, yes.

Q. Of course, you are also familiar with the case structure of the defendants. You testified to that. Could you express an opinion as to the fact whether structurally Koch's structures, or defendants', are closer to the structure of the Storch patents than they are to the structure shown, for instance, on Fig. 1 of the Shoemaker patent?

A. Not an off-hand opinion. I would like to refer to the drawings and give it a little thought before I express an opinion for you on that subject.

Q. Well, the drawing is before you. You might refer to it.

A. May I hear the question? [453]

(Question read.)

A. I believe that both of the Koch structures are closer to Fig. 1 of the Shoemaker patent than they are to the Storch patent structurally.

Q. I will ask you whether it is not true that both of the Koch structures and the Storch patents

(Testimony of Irving C. Roemer.)

have what you call a frame member and an auxiliary frame member which are pivotally connected to each other—I am using approximately your own terminology.

A. You are using my terminology as I have described Defendants' structure, but not terminology that I recall using in connection with the Storch patent.

Q. Therefore the difference between the two structures is a question of terminology. Do you mean to say that?

A. No, I don't mean to say that.

Q. You have the Storch patents before you?

A. Yes.

Q. I call your attention—if your Honor please, I would like to have the question referring to the auxiliary frame terminology answered. I would like you to answer the question.

(Question read.)

A. They might very well be said to have because there are so many parts in the Storch patent that can be called an auxiliary frame member. It has several parts that can be called frame members and several parts that can be called auxiliary frame members, but no parts that are frames and auxiliary frames in the same sense that they are in the defendants' structures.

Q. Isn't it true in the Storch patent you have two distinct groups of elements, one which is pivoted to the luggage, itself, and another group of

(Testimony of Irving C. Roemer.)

elements, including the support or frame for the hanger bar which, as a unit, is pivoted on the first group of elements and through it is indirectly connected to the luggage?

A. Yes, the [454] lazy tong member is pivoted to the support or frame which is, in turn, pivotally connected to the luggage; that's right.

Q. Isn't it true in the defendant Koch's structures there are, first, two parallel bars which are directly connected to the luggage and then there is a frame for the hanger bar which is pivoted on the ends of those first-mentioned members?

A. Yes, that is true.

Q. Are there any corresponding elements present in the Shoemaker structure as shown in Fig. 1 of the Shoemaker patent on Plaintiff's Exhibit 9?

A. You say are there any corresponding, or some corresponding members?

Q. To the members that you——

A. I will answer this way: There are no parts on the disclosure of Shoemaker's Fig. 1 that would be compared to the lazy tongs member of Storch or an auxiliary frame of the defendants' device.

Q. Therefore, in respect of the swinging of the hanger rod on a separate frame, pivotal or separately on another part of the frame which in turn is connected to the luggage in Defendants Kochs' structure it is closer to the showing of the Storch patent than it is to the structure shown on Fig. 1 of the Shoemaker patent; is that true?

(Testimony of Irving C. Roemer.)

A. Only through the use of that terminology. When you call the things by the same names it would be bad to say that one is closer than the other, but, as a matter of fact, there are three different structures. Fig. 1 of the Shoemaker patent and the defendants' device operate on the same principle. The defendants' device has an auxiliary member added to it for a different purpose. Now, we don't find such an auxiliary member for such a purpose described in that combination in the Storch patent. We find auxiliary frames, if you wish to use that terminology, but in terms that is the only way that a comparison might be made. If you look at the physical [455] structures they are as different as night and day.

Q. You mentioned something about this auxiliary member, as you call it, in the Kochs structure, for a particular purpose. For what purpose are they? Isn't it true they are for the purpose of holding the hanger rods on which are hung the garment, and then to swing with the hung garment into the luggage, either the cover or into the body, in the Kochs structure in the cover, and in the Storch either in the cover or in the body; in both cases you have the same purpose; isn't that true?

A. In the way you express it it is the same purpose. They are both to store garments—

Q. Both of them are for the purpose of supporting the garments and then on a revolving motion hold to the other part of the frame and then

(Testimony of Irving C. Roemer.)

into the luggage, the garments; isn't that correct?

A. No. Your revolving motion is in the wrong direction so it doesn't fold on the other part of the frame as it does in the combination of the Shoemaker patent.

Q. Isn't the function the same whether you revolve it in either direction?

A. No, it is not.

Q. Why?

A. Because the same part of the device doesn't serve as a secondary folding member when you revolve in one direction as it does when you revolve in the other direction.

Q. Why?

A. It is only by revolving in the wrong direction that you can make the Storch patent refer to either the Shoemaker patent or the defendants' structures.

Q. I show you here a sketch which has two elements in there marked the Storch type. It is a diagram of it showing the elements relative to each other. I will ask you to explain why the same element couldn't work as a secondary folding strip or member if the pivotal member is rotated in either direction, either in the direction you call wrong or in the direction you call right.

A. I see what you refer to [456] in this sketch but I certainly see no foundation for calling this—for entitling this sketch "Storch type," because I see nothing in the Storch patent which justifies

(Testimony of Irving C. Roemer.)

this sketch, and, furthermore, if this device is used so that by folding in the wrong direction you can get a secondary fold in the manner you have indicated—may I mark——

Q. Yes.

A. With a mark "A", you don't have anything like the Shoemaker patent teaches.

Q. Therefore, it is your opinion that if the swing of the top fixture is in the opposite direction than it now swings in Defendants' structure but otherwise it folds the same way, then it would not be within the Shoemaker patent; is that correct, if you collapse this, looking at it in a——

A. You have me a little bit confused between that sketch, here, and the Storch patent and that structure, there. If you can make your question a little bit more clear for me——

Q. Is it true, then, that in your opinion the patent of Shoemaker is limited to a rotation in one direction only and if there is a rotation in the other direction, then the Shoemaker claims do not read on it, although the alternate position of the element might be the same?

A. Well, the Shoemaker patent does not call for that type of rotation at all. It is not directed to a type of rotation. It is only where you use an auxiliary arm that you have such rotation. In the Shoemaker patent the frame folds in this position within the cover and a position horizontally over

(Testimony of Irving C. Roemer.)

the luggage, so it is not directed to rotation in one direction or another for an auxiliary arm.

Q. In general, of course, you testified to the art here, and we shall not bother you again or go through each patent. Before going any further, if your Honor please, I would like to introduce this in evidence for the sole purpose of illustrating the present tes- [457] timony.

Mr. Morsell: I object to that, your Honor. I don't see the justification for this sketch.

Mr. White: The expert gave testimony and marked this as "A" and I want to show what he referred to.

The Court: He says he doesn't know where you got that structure you have drawn, the outline of it there. Until you show us that I will sustain the objection to it.

Mr. White: Well, so long as there is no stipulation to it all right.

Q. In general, do you claim that the Shoemaker patent in the line of the prior art includes novelty as to the method? The luggage is old, isn't it?

A. By the method, you mean a body portion and a cover portion?

Q. A body portion, a cover portion, a hinged cover portion. A. Yes, that is old.

Q. Old in the prior art? A. Yes.

Q. Now, then, you also will admit that the prior art patents show various ways of hangers and fixtures which are either within the body or within

(Testimony of Irving C. Roemer.)

the cover portion of the luggage in order to hold garments therein. Could we agree on that?

A. Yes, there are garments fixtures in the prior art.

Q. Of various types?

A. Various types and various kinds of material.

Q. You will also admit there are garment fixtures which hold garments within the cover of a suitcase? A. Yes.

Q. That is old in the art. Now, then, you will also admit that there are structures which show garments folded primarily and secondarily on different folding members which are within the cover of a luggage?

A. Yes, I believe there are, but none holds the fixture [458] in the case in such a manner that the folds are made properly upon closing the fixture into the case and to drape the garment properly when the fixture is so closed.

Q. What do you call "properly"? You mean won't wrinkle, or something?

A. No, I mean the relationship of the garment hanger and the garment folding bar within the luggage.

The Court: What did the Shoemaker patent do that has not been done, or that is not in the prior art?

A. The Shoemaker patent provides for draping a garment over a removable garment bar, then placing that bar in place in a pivoted garment-support-

(Testimony of Irving C. Roemer.)

ing member and then closing that garment-supporting member into the cover of the luggage by means of this pivotal support in a certain part of the cover, with the result that that closing movement puts a second fold in the garment and drapes the garment in a normal carrying position in the luggage.

Mr. White: Q. And the difference of that structure you just described, or that invention, over the prior art folding devices is such as shown in the Hopkins patent, that is, in the other cases you take them entirely out and you secondarily and primarily fold the garments off them, and then place them into the cover and use some means to hold them in there, while in the Shoemaker patent you hinge the same element inside of the cover; is that correct?

A. To which patent did you refer? There are quite a few differences in the structures. Referring first, for instance, to the Hopkins patent, there is no removable garment-supporting means, no removable hanger such as could be placed in position at the pivoted end of the supporting means.

The Court: So that I may follow, aside from this removable hanger what else, if anything, is not in the prior art here?

A. The hinged connection between the garment-supporting member. [459]

The Court: Describe that.

(Testimony of Irving C. Roemer.)

A. The garment-supporting member is this, the larger member that comes out and folds up into the cover. The prior art doesn't show that hinge, no hinged side of the cover member, so that it folds up into this position within the case, and shows it with a removable bar so that when you put the garment over the bar and the bar is placed in its removable connection you automatically get a second fold which at the same time places the garment in its proper carrying position and drapes it over this supporting member within the cover of the luggage.

Mr. White: Q. Isn't it true that the fixture in the Storch patent, at least one of them is connected hingedly to the lower portion of the vertical side of the cover of the luggage? I call your attention to U. S. Storch patent and to the figure in the lower left hand corner.

A. That is correct. Yes, the bar A', which is a stirrup or U-shaped member, is connected to the hinged side of the cover member.

Q. Yes, and that is approximately the same position on the side as the position of the device of the structure in Plaintiff's Exhibit 6; is that correct?

A. It is in the same general position, yes.

Q. Now, that is one of the features of novelty that you have claimed in the Shoemaker patent, the removable hanger bar and the frame?

A. That is one of the novel features; that is one feature of the novel combination of the Shoemaker patent.

(Testimony of Irving C. Roemer.)

Q. I would like to call your attention to Plaintiff's Exhibit 5, and I will ask you if when you use that in connection with a coat, because there is a hanger in it, whether you get a primary and secondary fold?

A. Not with a coat, no. If you put a pair of trousers in there you do get a primary and secondary fold.

Q. Therefore, this particular structure, Plaintiff's Exhibit 5, is really within the scope of the claim only when it is used in con- [460] nection with particular types of garments, like a pair of trousers or other garments which are folded in a particular manner? A. Yes.

Q. Now, I will call your attention to Fig. 1 of the Hamlin patent, and I will ask you whether that arrangement therein is for a coat. [461]

Mr. White: Q. In connection with Fig. 1 of the Hamlin patent, the coat is used in the same manner, folded in the same manner as the same would be folded in the luggage in Plaintiff's Exhibit 5, the folding is identical?

A. Same folding takes place in the garment.

Q. And also in connection with Fig. 2, the folding of the trousers as shown there is exactly the same manner as in Plaintiff's Exhibit 5?

A. The same folds are placed in the garment, yes; not in exactly the same manner. The garment, itself, is folded in this—

Q. Only it is folded outside of the cover and

(Testimony of Irving C. Roemer.)

not at the time you turn the particular garment into the cover; is that correct?

A. Yes, folded by different means.

Q. Isn't it true that the difference between, say, Fig. 5 of the Hamlin patent, as the showing is there, and Fig. 1 of the Shoemaker patent, is that instead of the frame being supported at its upper end at the point marked 22 in Shoemaker it is pivoted and [462] opposite the lower end to the frame?

A. That is one of the differences.

Q. And that would be the only difference between Hamlin and the Shoemaker patent, would it not?

A. I should say not.

Q. What else?

A. The differences are very obvious from the drawings, there; there is no folding member, there is no provision for pivoting this at its opposite end.

Q. We mentioned that before. The point of pivot is No. 1. No. 2 is the shape; is that correct?

A. There is no detachable bar adjacent the pivoted end.

Q. 3 is the detachable hanger.

A. Adjacent the pivotal end. The whole combination is lacking. This is a device that you take out of a suitcase, wind the clothes around it, and place back in the suitcase. When you place it back in you hang it by its opposite end from the pivotal connection in the Shoemaker patent.

Q. The last structure you described is present in the patent of the prior art, you admit?

(Testimony of Irving C. Roemer.)

A. You mean structures something like the Hamlin patent are found in the other structures in the prior art?

Q. Yes.

A. Yes, these removable clothes winding frames can be found.

Q. I will call your attention to Fig 10 in the Shoemaker patent in suit, and I will ask you whether any of those prior art structures that you just mentioned has a primary and secondary folding of garments there which could not be placed exactly in the same position and in the same place as the frame No. 12 is placed in Fig. 10 of the Shoemaker patent to function the same way?

Mr. Morsell: I object to this line of questioning, your Honor. Obviously, the Shoemaker patent discloses a number of things. That patent contains 28 claims. We are not relying on all the claims of the patent, and I think this examination should be confined to [463] the devices in the Shoemaker patent which are readable on the claims on which we are relying.

Mr. White: We have to establish the scope of the claims you rely on, and the only way we can establish that is by limiting everything that is not Shoemaker's invention.

(Question read.)

A. The frame members 12 in the Shoemaker patent, referring to Fig. 10, are contained in the cover of the luggage. Obviously, any structure for

(Testimony of Irving C. Roemer.)

winding clothes could be placed in the same cover of the same luggage if desired.

Mr. White: Q. In the same way?

A. Not the same way—not to perform the same function. You would have to take a particular structure and be sure it was made according to this structure.

Q. I say a particular type of structure; it must be operated exactly like the other element?

A. Can you make that a little clearer? I don't know what you are referring to.

Q. Are you referring to the particular structure, to the removable roller 30 on frame 12 in Fig. 10 when you say the difference between the prior art structures and the structure shown in Fig. 10—

A. I did not refer to a roller, no. I didn't refer to anything.

Q. You referred to some difference and it would have to be made in some exact shape, the prior art structures, in order to meet the terms of the Shoemaker patent.

Mr. Hursh: I would like to object to this type of cross-examination. He is trying to take Mr. Roemer and make an inventor out of him in light of the prior art. The prior art speaks for itself, and is limited to the exact structures disclosed in the prior art. You cannot change those a bit. You have to take the structure as disclosed in the prior art, you cannot take the prior art and change it and say what would happen if you did this or

(Testimony of Irving C. Roemer.)

that. [464] The prior art is limited to what is disclosed and Mr. White is trying to go outside the scope of the prior art.

The Court: All right. Proceed.

The Witness: Well, I am a little bit confused on the question but I thought I answered when I said whenever the structure of the prior art could be placed in the cover of the luggage, like in Fig. 10 of the Shoemaker patent.

Mr. White: Q. Without change?

A. Yes, if the luggage is large enough and there is room enough.

Q. You mean if small enough to fit within the confines of the cover? A. Yes.

Q. That could be placed in the same size of a suitcase, of a suitcase cover as shown in evidence by the various suitcases?

A. If they are the right exhibit, yes.

Q. Isn't it true that out of these numerous patents that we discussed at the trial only five were before the Examiner or cited by the Examiner in the File Wrapper during the prosecution of the Shoemaker application for the Shoemaker patent; I mean six?

A. Well, I was going to say I don't know the exact number, but I think it was about five or six.

Q. Well, the File Wrapper will show that. Outside of the difference that you mentioned as to the particular tension or sliding member, or action, as you stated, in the Koch prior structure shown in

(Testimony of Irving C. Roemer.)

Defendants' Exhibit S, is there any other difference, either in function or in structure, material difference that you can point out between the Koch prior structure and the prior Shoemaker patent, or the subsequent Shoemaker patent, especially referring to Exhibit 1 of that chart?

A. Referring to Exhibit L, there seems to be one rather material difference, that is in the size of the pivotal member which is upturned. [465]

The Court: What do you mean by that?

A. That the length of this folding member——

The Court: What length?

A. Fig. 2, when this frame was used originally, but if it were used in a suitcase, anything like that one, it wouldn't seem to take advantage of the shape of the suitcase, at all; in using it for folding in this manner these bar members would be down here in some way. I don't know of my own knowledge when they were used, but in folding them up in the cover you don't take the advantage of the full length of the cover. They are very short—I don't know——

The Court: Off about three inches?

A. About three or four inches, yes. That makes a difference of four times that much, that would be sixteen inches in folding a dress.

Mr. White: That is all.

Mr. Trabucco: I think that is all, your Honor.

Mr. Morsell: I want to take him on redirect.

(Testimony of Irving C. Roemer.)

Redirect Examination

Mr. Morsell: Q. In a structure such as Defendants' Exhibit L, while we are on the subject, can you see any justification for having the frame short and not taking full advantage of the size of the case in which it is installed?

A. No. I don't know of any possible reason for doing that.

Q. In arrangements of this type does inches added onto the length of the frame result in more inches of folding, one inch added—

A. Yes, four inches.

Q. It is multiplied four times, then?

A. Yes.

Q. Will you please refer to Fig. 11 of the Shoemaker patent in suit? In that structure there is disclosed a stud 37, is there not? A. Yes.

Q. And on that stud 37 there is a showing of a hanger 36; is that [466] true? A. Yes.

Q. I call your attention to a statement on page 3, lines 36 to 38, inclusive, of the specification, which read as follows:

“The stud 37 may be of such proportion as to accommodate and support a plurality of hanger rods 36.” Does that imply to you the contemplation by the inventor of mounting more than one hanger on the inner end of the folding frame?

A. Yes. That is exactly what it means.

Q. If the stud is of sufficient length can there be relative movement of the hangers on the stud in

(Testimony of Irving C. Roemer.)

the manner of the sliding of the bar in Plaintiff's Exhibit 6, for instance? A. Yes.

Q. In your estimation is the Shoemaker patent in the category of what is known as a combination patent?

A. Yes. The claims are directed to—all the claims are directed to a combination.

Q. A combination of a luggage comprising certain elements and additional garment-folding means within the means, that is the general combination, is that not true?

A. That is true.

Q. From your knowledge of patent law can a valid combination patent be predicated on a novel association of elements?

Mr. White: We object to that question, your Honor. I don't think the expert should testify as to what the patent law is. We have the Supreme Court for that.

The Court: I will have to apply the law.

Mr. Morsell: Q. Will you please refer to the Hopkins patent to which your attention was directed on cross-examination? How does that loading device in the Hopkins patent compare in bulk and possible weight with the simple mechanism of the Shoemaker patent shown in Fig. 1?

A. I should say it was a little larger and heavier than a supporting garment of the same size. When garments are placed on the device in the manner taught by the patent it would [467] be quite bulky.

(Testimony of Irving C. Roemer.)

Q. Does it occupy considerable space within the cover of the luggage case? A. Yes.

Q. And in so far as the Hopkins disclosure is concerned, if that was placed in the cover of a luggage case would means have to be provided for holding it in place within the cover?

A. Yes. They would have to be tied in or secured in in some way.

Q. In hand luggage it is a fact, is it not, that lightness of the piece of luggage is a very desirable feature? A. Yes.

Mr. Morsell: That is all.

(The case was then orally argued by respective counsel and briefs to be submitted in 30, 10 and 10 days.) [468]

[Endorsed]: No. 9693. United States Circuit Court of Appeals for the Ninth Circuit. The L. McBrine Company, Limited, Appellant, vs. Sol Silverman and Sam Silverman, co-partners doing business under the name and style of Balkan Trunk & Suitcase Co., Appellees. The L. McBrine Company, Limited, Appellant, vs. Herman Koch, doing business under the name and style of H. Koch & Sons, and Harold M. Koch, William L. Koch, and Rebecca Koch, Appellees. Transcript of Record. Upon Appeals from the District Court of the United States for the Northern District of California, Southern Division.

Filed December 3, 1940.

PAUL P. O'BRIEN,

Clerk of the United States Circuit Court of Appeals
for the Ninth Circuit.

In the United States Circuit Court of Appeals for
the Ninth Circuit

No. 9693

THE L. McBRINE COMPANY, LTD.,

Appellant,

vs.

SOL SILVERMAN and SAM SILVERMAN, co-
partners doing business under the name and
style of BALKAN TRUNK & SUITCASE
CO.,

Appellees.

THE L. McBRINE COMPANY, LTD.,

Appellant,

vs.

HERMAN KOCH, doing business under the name
and style of H. KOCH & SONS, and HAR-
OLD M. KOCH, WILLIAM L. KOCH and
REBECCA KOCH,

Appellees.

ORDER OF CONSOLIDATION

Good cause appearing therefor, it is hereby or-
dered [469] that for the purpose of appeals in each
of the above entitled causes one Printed Record on
Appeal shall serve for both actions and may in-
clude pleadings, exhibits, and transcript of evi-

dence pertinent to both actions designated by counsel for the respective parties.

CURTIS D. WILBUR

United States Circuit Judge

Dated: Oct. 31, 1940.

[Endorsed]: Filed Oct. 31, 1940. Re-filed Dec. 3, 1940. Paul P. O'Brien, Clerk. [470]

[Title of Circuit Court of Appeals and Cause.]

STATEMENT OF POINTS ON WHICH APPELLANT INTENDS TO RELY ON APPEAL AND DESIGNATION OF PARTS OF RECORD FOR PRINTING [471]

Now comes the above named appellant, and through its counsel, specifies that it desires to adopt as its points on appeal, the Statement of Points Relied Upon appearing in the transcript of the record.

It is also stated that appellant desires the record as certified to be printed in its entirety save for those items in the Designation of Contents of Record on Appeal which were specified as being physical exhibits.

THE L. McBRINE COMPANY LTD.

Appellant

By CURTIS B. MORSELL

Attorney

[Endorsed]: Filed Dec. 13, 1940. Paul P. O'Brien, Clerk. [472]

[Title of Circuit Court of Appeals and Cause.]

DESIGNATION OF EXHIBITS TO BE INCLUDED IN EXHIBIT BOOK [473]

The following exhibits are to be included in the printed book of exhibits:

Exhibit 1—Shoemaker patent No. 1,878,989.

Exhibit 7a—Photograph of H. Koch & Sons wardrobe case.

Exhibit 7b—Photograph of H. Koch & Sons wardrobe case.

Exhibit 8a—Photograph of Silverman wardrobe case.

Exhibit 8b—Photograph of Silverman wardrobe case.

Exhibit 13—Letters defendants admit as genuine.

Exhibit B—British patent to Schwarzenberger.

Exhibit C—British patent to Duverge.

Exhibit D—Austrian patent to Storch. (Two pages of specification must be photostated. We can supply photostatic copies of the drawing.)

Exhibit E—Copy of oath of Austrian patent to Storch, No. 116,893 (Include only the oath, omitting the Patent Office certification thereto.).

Exhibit F—Book containing following patents:

Exhibit F1—Burchess, No. 1,081,014

Exhibit F2—Boyd, No. 1,185,971

Exhibit F3—Fasel, et al., No. 1,382,964

Exhibit F4—Steuwer, No. 1,641,705

Exhibit F5—Winship, No. 1,728,223

Exhibit F6—Wheary, No. 1,799,877

Exhibit G—Book containing following patents:

Exhibit G1—Boden, No. 935,958

Exhibit G2—Simons, No. 1,208,221

Exhibit G3—Tiedeman, No. 1,435,673

Exhibit G4—Lengsfeld, No. 1,661,484

Exhibit G5—Lengsfeld, Re. 17,177

Exhibit G6—Hopkins, No. 1,861,274 [474]

Exhibit G7—Cuthbert, No. 1,184,931

Exhibit G8—Cahn, No. 1,572,703

Exhibit H—Book containing following patents:

Exhibit H1—Von Ohlen, No. 906,153

Exhibit H2—O'Donnell, No. 1,094,087

Exhibit H3—O'Neill, No. 1,150,058

Exhibit H4—Shroyer, No. 1,200,248

Exhibit H5—Langmuir, No. 1,698,848

Exhibit H6—Laprade, No. 1,742,656

Exhibit H7—Storch, No. 1,794,653

Exhibit H8—Pownall, No. 1,810,786

Exhibit H9—Hamlin, No. 1,869,418

Exhibit I—Levine patent No. 2,091,931.

Exhibit M—Production list of Larkin Specialty Co.

Exhibit N—Ledger sheet of Larkin Specialty Co.

Exhibit O—Duplicate bill rendered Koch & Son from Larkin Specialty Co.

Exhibit P—Photostatic copy of ledger sheet of June, 1928 sales.

Exhibit Q1—Defendants’ Interrogatories.

Exhibit Q2—Answer to Defendants’ Interrogatories.

This designation.

TOWNSEND & HACKLEY
ROY C. HACKLEY JR.

Dated: December 16, 1940.

Receipt of a copy of the foregoing designation is hereby acknowledged this day of, 1940.

.....
.....

[Endorsed]: Filed Dec. 17, 1940. Paul P. O’Brien, Clerk. [475]

[Title of Circuit Court of Appeals and Cause.]

APPELLEES’ DESIGNATIONS OF PARTS OF RECORD ON APPEAL FOR PRINTING IN ADDITION TO THE DESIGNATIONS OF APPELLANT UNDER RULE 19 (6) OF THIS COURT.

Appellees hereby designate the additions to the record which appear necessary for the consideration of the appeal; [476] said parts to be printed from the record or reproduced in addition to those designations heretofore filed by Appellant.

1. Print from Exhibit A, file wrapper and contents, Shoemaker Patent #1,878,989 pages

21, 22, 23, 34, 37, 40, and 44. Include photo copies of page 11 of this same exhibit, or if page 11 is printed then all corrections and cancellations thereon shall be included.

2. Exhibit D—the certified translation of the Austrian Patent to Storch.

3. Exhibit E—copy of oath of Storch United States Patent, include the Patent Office certification thereto.

4. Exhibits M, N, O, and P—Please include photostatic copies of these exhibits.

5. Include from Reporter's transcript of trial: Line 26, page 90 through line 14, page 91.

6. In printing items 25 and 26 of Appellant's "Designation of contents of record on Appeal", namely the findings of fact and conclusions of law in these cases, please print the title page of said Findings inclusive the names of the attorneys appearing at the top of said page.

7. Please also print the title on items 25 and 26 of said designation, [477] the final decrees in these cases, showing the names of the attorneys on said title page.

8. Exhibit U (by photostat)

Dated: December 23, 1940.

GEORGE B. WHITE

J. E. TRABUCCO

Attorney for Appellant.

[Endorsed]: Filed Dec. 26, 1940. Paul P. O'Brien, Clerk. [478]

[Title of Circuit Court of Appeals and Cause.]

APPELLEES' SUPPLEMENTAL DESIGNA-
TION OF PARTS OF RECORD ON AP-
PEAL FOR PRINTING.

Appellees hereby designate further additions to the record which appear necessary for the consideration of the appeal, said parts to be printed from the record or reproduced [479] in addition to those designations heretofore filed herein.

The additions are as follows:

Print from Exhibit A, file wrapper and contents of patent in suit, in addition to the pages heretofore designated also pages 12, 13, 24, 25, 28, 29, 45, 47 to 55 inclusive, 64 to 69 inclusive, and 71 to 74 inclusive.

In printing these pages please show the corrections, interlineations and cancellation markings wherever they appear on said pages.

GEORGE B. WHITE

J. E. TRABUCCO

Attorneys for Appellees.

[Endorsed]: Filed Dec. 30, 1940. Paul P. O'Brien, Clerk. [480]

[Title of Circuit Court of Appeals and Cause.]

APPELLANT'S SUPPLEMENTAL DESIGNA-
TION OF PARTS OF RECORD ON AP-
PEAL FOR PRINTING [481]

In addition to the designations heretofore made by appellant and by appellees, appellant hereby designates further additions to the record which appear necessary for the consideration of the appeal.

The additions are as follows:

Print from Exhibit A, file wrapper and contents of patent in suit, in addition to the pages heretofore designated, pp. 46, 56, 57, 58, 59, 60, 61, 62, 63, and 78.

CURTIS B. MORSELL
HACKLEY & HURSH
ROY C. HACKLEY JR.
JACK E. HURSH

Attorneys and Counsel for
Appellant

Dated: January 2, 1941.

[Endorsed]: Filed Jan. 6, 1941. Paul P.
O'Brien, Clerk. [482]

In The

UNITED STATES CIRCUIT COURT OF APPEALS

For The Ninth Circuit — Number 9693

THE L. McBRINE COMPANY, LIMITED,
Appellant,

vs.

SOL SILVERMAN and SAM SILVER-
MAN, co-partners doing business under the
name and style of BALKAN TRUNK &
SUIT CASE CO.,

Appellees.

THE L. McBRINE COMPANY, LIMITED,
Appellant,

vs.

HERMAN KOCH, doing business under the
name and style of H. KOCH & SONS, and
HAROLD M. KOCH, WILLIAM L.
KOCH, and REBECCA KOCH,

Appellees.

Consolidated

FILE

FEB 15

PAUL P. O'BR

BRIEF FOR APPELLANT

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Upon Appeals from the District Court of the United States
For the Northern District of California — Southern Division.



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In The
UNITED STATES CIRCUIT COURT OF APPEALS

For The Ninth Circuit — Number 9693

THE L. McBRINE COMPANY, LIMITED,
Appellant,

vs.

SOL SILVERMAN and SAM SILVER-
MAN, co-partners doing business under the
name and style of BALKAN TRUNK &
SUIT CASE CO.,

Appellees.

THE L. McBRINE COMPANY, LIMITED,
Appellant,

vs.

HERMAN KOCH, doing business under the
name and style of H. KOCH & SONS, and
HAROLD M. KOCH, WILLIAM L.
KOCH, and REBECCA KOCH,
Appellees.

Consolidated

BRIEF FOR APPELLANT*

Introduction.

The above designated causes of action were consolidated for trial in the District Court, pursuant to stipulation by

*(All italics ours unless otherwise specified. The parties will be referred to as in the Court below.)

the counsel for the respective parties, and with the approval of the Court. In each action the plaintiff is the same party, but the sets of defendants in the several actions are different. In each action the defendants are charged with infringement of United States Letters Patent No. 1,878,989 (R. Vol. II, p. 455) in the name of E. J. Shoemaker and issued, by virtue of an assignment, to The L. McBrine Company, Limited, of Kitchener, Ontario, Canada, on September 20, 1932. The L. McBrine Company, Limited, is the plaintiff-appellant. The patent in suit relates to improvements in hand luggage and the application for the Shoemaker patent was filed in the United States Patent Office on December 24, 1928.

In each action the defendants are engaged in the business of manufacturing and selling hand luggage including luggage which is equipped with fixtures therein for the convenient and effective packing, folding, and holding of garments, such as ladies' dresses, coats, and men's suits, entirely within the cover sections of the luggage cases. For the purposes of this litigation it has not been denied and it may be assumed that the accused structures of the defendants in the several actions are substantially the same mechanically. The defenses asserted by both sets of defendants are the same; so the issues involved in this appeal are equally applicable in both actions.

The consolidation of the several actions for purposes of appeal is authorized by virtue of an order of consolidation signed by the District Judge (R. p. 98) and also by an order of consolidation ordered by the Honorable Judge Wilbur on behalf of this Court (R. p. 447).

The present consolidated actions are the usual patent suits for infringement of a United States patent and as the defendants were citizens and residents of San Francisco, California, having regular and established places of business in said city, the actions were correctly brought in the

District Court in San Francisco, California, under the authority of the Act of March 3, 1911 (Judicial Code), by virtue of the provisions of U. S. C., Title 28, Section 41, and U. S. C., Title 28, Section 109. The final decrees of the District Court appear on R. pp. 90 and 92 and this appeal therefore reaches this Honorable Court under the authority of U. S. C., Title 28, Section 225, following due filing of notices of appeal (R. pp. 93 and 94) and the completion of other formalities.

Statement of the Case.

As this action is of the usual type involving patent infringement, the questions involved are first, as to whether or not the accused structures of the defendants are responsive to the relied upon claims of the Shoemaker patent in suit, and secondly, as to whether or not the relied upon claims of the patent in suit are valid.

The findings of fact and conclusions of law (R. pp. 86, 87, 88 and 89) are identical in each action and we will therefore reproduce only one set of findings and conclusions, the same reading as follows:

FINDINGS OF FACT.

1. That the parties are residents and citizens respectively as alleged in the complaint.
2. That plaintiff is the owner of Letters Patent in suit No. 1,878,989, dated September 20, 1932, issued upon an application filed on December 24, 1928.
3. That claims 4, 8, 10, 11, 12, 19, 23, 24, 26 and 27 of patent No. 1,878,989, are the claims relied upon by plaintiff.
4. That the invention of the patent in suit has had a great commercial success and has gone into wide and extensive use in the United States and elsewhere.

5. That the accused structures manufactured and sold by the defendants are fairly readable upon and respond to the relied upon claims of said patent in suit No. 1,878,989.
6. That the garment support shown in defendants' exhibits K, L and S was invented by Maurice Koch and was known and used by H. Koch & Sons in May, 1928, and luggage embodying fixtures similar to those in exhibits K, L and S were known and publicly sold in the summer of 1928 and thereafter.
7. The prior Koch luggage constitutes an anticipation of the relied upon claims of the Shoemaker patent in suit.

CONCLUSIONS OF LAW.

1. Claims 4, 8, 10, 11, 12, 19, 23, 24, 26 and 27 of the Shoemaker patent No. 1,878,989 are, and each of them is, invalid and void, for anticipation by and for lack of invention over the garment support invented by Maurice Koch and used by H. Koch & Sons in May, 1928.
2. If valid, the relied upon claims of the Shoemaker patent No. 1,878,989 would be infringed by the accused structures of the defendants.
3. Each side will bear its own costs.

The appellant challenges only the correctness of Findings Nos. 6 and 7 and Conclusion No. 1. We shall contend that application of the controlling law to the facts does not warrant said conclusion of law and this was, therefore, clearly erroneous.

The statement of points relied on on appeal are covered in R. pp. 99, 100, and 101. Points 1 to 7, inclusive, and No. 9 relate to Findings Nos. 6 and 7 and Conclusion 1, whereas points 10 and 11 relate to the admission in evidence of other material which was deemed by plaintiff to be objectionable.

ARGUMENT

Explanation of Shoemaker Patent in Suit.

The patent in suit (R. Vol. II, p. 455) is in evidence as plaintiff's Exhibit No. 1 and the assignment, showing title to the patent in suit in the plaintiff herein, is in evidence as plaintiff's Exhibit No. 2. The plaintiff is a corporation of Kitchener, Ontario, Canada, engaged in the business of manufacturing and selling articles of luggage, including the improved hand luggage cases covered by the Shoemaker patent in suit. In Canada the plaintiff corporation has exploited the invention in question for a number of years and since the date of the Shoemaker invention at least 150,000 luggage cases have been made and sold in Canada and have gone into extensive usage, embodying the features of the patent in suit (deposition of Shoemaker, R. p. 125).

The invention was introduced into the United States in the spring of 1929, at which time Mendel-Drucker of Cincinnati, Ohio, voluntarily asked for and obtained a license from the plaintiff herein (deposition of Shoemaker, R. pp. 123 and 124), and subsequently the plaintiff herein was voluntarily approached by the Wheary Trunk Co. and the Hartmann Trunk Company, both of Racine, Wisconsin, which companies were granted licenses and have exploited the invention in the United States (R. p. 124). Mr. A. A. Ritter, of Hartmann Trunk Company, in his deposition (R. p. 179), asserted that Hartmann Trunk Company has manufactured and sold over 70,000 luggage cases under its license, under the Shoemaker patent in suit (R. Vol. II, p. 455).

The structure of the patent in suit is of course fully disclosed in the patent copy, plaintiff's Exhibit 1. It is likewise more conveniently illustrated in the enlarged chart, plaintiff's Exhibit 9. With particular reference to the

chart, which shows Figs. 1, 3, and 4 of the drawings of the Shoemaker patent, it will be observed that the improved luggage case comprises a body portion A and a cover portion B hingedly connected to the body portion. The cover is adapted to be opened at right angles to the body section and is held in this position by suitable stays. In closed position the cover is held to the body by conventional latches, and the outer end of the body section is equipped with a handle whereby the luggage case may be readily carried in the usual manner. In its closed condition the end of the cover opposite the hinged end is at the top of the case and this should be borne in mind in later considering the novel arrangement of the fixture equipment within the case which permits supporting folded garments in a naturally draped relationship entirely within the cover section of the case.

The Shoemaker patent is what is known as "a combination patent" and the invention resides in the combination with certain portions of the luggage case, of a novel fixture device. This fixture or garment folding and compacting device includes a garment supporting member or frame C, and one or more removable bars or hangers D, detachably mounted on the inner end of the frame or supporting member C. In the claims these hangers or bars are referred to as "garment supporting means."

While the garment supporting member or frame C is depicted as being of H-formation, within the contemplation of the patent and the relied upon claims thereof, it may be of any suitable shape, and in commercial embodiments of this invention, the supporting member or frame C takes the form of a U-frame. In the figures of the Shoemaker patent drawings as shown in the chart, plaintiff's Exhibit 9, attention is directed to the fact that the inner end of the garment supporting member or frame C is hingedly or pivotally connected within the zone of the inner or hinged ex-

tremity of the cover B of the case. This supporting member or frame C is adapted to be swung from the vertical position entirely within the cover, depicted in Fig. 4, to a horizontal position substantially overlying the upper portion of the open body portion A of the luggage case, as in Fig. 1. The inner end of this supporting member or frame C carries yieldable bracket members G which are adapted to removably or detachably receive the ends of a garment hanger bar, or garment supporting means D. As shown in the copy of the Shoemaker patent (plaintiff's Exhibit 1), with particular reference to Fig. 11, the hanger or garment supporting means may take the form of a wire coat hanger 36 which is mounted on a peg 37 carried by the inner end of the supporting member or frame. In this connection the specification of the patent furthermore brings out that several hangers may be carried by the frame member if so desired to thereby accommodate a plurality of garments.

With the structure, as described and illustrated in the enlarged chart, garments are packed within the improved hand luggage case and are folded and compacted within the cover section of the case in the following manner: If a lady's dress, for instance, is to be packed, the dress is first primarily folded and the detached hanger bar D is positioned through the fold of the garment as in Fig. 3. The hanger bar is then moved over the open face of the body section of the case and is inserted in the brackets G at the inner end of the supporting member or frame C, but the dress, being only once folded, extends forwardly a substantial distance beyond and over the front edge of the body section A of the case. To secondarily fold the garment and to confine it within the cover of the luggage case it is only necessary to flip the supporting member or frame C from its horizontal position to its vertical position within the cover of the case, as in Fig. 4. The extending portion of

the garment will then drape over the so-called folding edge E of the frame member C in the manner shown, with the secondary fold being then completed in the garment. It should be observed that during the manipulation of the frame or supporting member C from its horizontal position to its vertical position *three things are automatically and simultaneously accomplished*. The entire fixture and all of the mechanism is housed and positioned within only the cover section of the case. The garment is confined and located in folded condition *entirely* within the cover section of the case. And, the same movement of the frame which serves to position the mechanism and garment also automatically and simultaneously serves to impart the secondary or additional fold in the garment.

The luggage case is provided with means F for retaining the supporting member in packed position in the cover of the case. These means, in the patent, take the form of flexible retaining bands, although in commercial exemplifications of the invention they may be in the form of latches, curtains, or other equivalent means.

The simple fixture above described and the easy manipulation thereof serves to locate and retain full length garments, such as dresses and the like, entirely within the cover section of the wardrobe case. This is of considerable advantage because the entire body section of the case is then left free for the packing of miscellaneous articles of wearing apparel and traveling paraphernalia. By virtue of the swing frame or fixture ready access may always be had to the body section of the case, without in any way disturbing or mussing the garments compacted and held by the folding fixture.

History of the Development of the Patent in Suit and Prior Art Which Confronted Mr. Shoemaker.

Not being able to produce one or two examples of really pertinent prior art the defendants assaulted the patent in suit by putting into evidence an extremely large and burdensome number of prior patents, all of more or less questionable value. As a matter of fact, the record now includes over twenty-four patents of assorted and miscellaneous types. Not one of these patents suggests or discloses a novel combination in any way similar to that of the Shoemaker patent. The prior art patents relied on by the defendants may be segregated into various groups. For instance, there is that group of prior patents which relates to wardrobe trunks or the like, as exemplified by the Von Ohlen patent No. 906,153 (R. Vol. II, p. 624), the Langmuir patent No. 1,698,848 (R. Vol. II, p. 651), and others. We frankly admit that wardrobe trunks, containing hanger means for garments, were old in the art prior to Mr. Shoemaker's development. These wardrobe trunk patents did not in any way assist Mr. Shoemaker with his problems. In the wardrobe trunk art there is no thought of packing dresses and like garments entirely within the cover of a case and the packing is not accomplished in such a manner as to permit compound folding and non-shiftable draping of the garments relative to the normal position in which a suitcase is carried. The hanging devices in wardrobe trunks do not provide for compound folding and certainly do not provide for a mechanism which simultaneously produces compound folds in a garment while storing the fixture and garment solely within the cover section of a container.

Another class of the prior art patents relates to boxes for garment display and for burial shrouds as exemplified by Boden No. 935,958 (R. Vol. II, p. 586) and others. This

type of display box does not have a body section with a cover hingedly associated therewith and it does not so house long garments as to give access to the body section of the box for other articles. These devices do not include a frame with a hanger bar on the frame providing for primary and secondary folds in the garments and simultaneous transposition of the supported garments into another section of the container.

The Burchess patent No. 1,081,014 (R. Vol. II, p. 549) represents a suitcase having a portfolio and secret compartments in its cover section. This device cannot house and compactly fold full length dresses and is of no value whatsoever in connection with the Shoemaker problem.

Another group of patents relates to paste board tailor's boxes as represented by the patents to O'Donnell No. 1,094,087 (R. Vol. II, p. 631), Simmons No. 1,208,221 (R. Vol. II, p. 592), and Lengsfeld Re 17,177 (R. Vol. II, p. 606). These devices fail to disclose anything in the way of removable hangers or bars and packing of the same is not convenient nor expeditious. These devices may be used once but are not practical for frequent and continued usage. The garments in these boxes are housed in the body sections of the boxes and the boxes do not have hinged covers.

Another group of patents discloses various miscellaneous types of suitcases or traveling bags equipped with complicated or inadequate garment retainers. This group of patents includes the following: O'Niell No. 1,150,058 (R. Vol. II, p. 635), Fasel and Garland No. 1,382,964 (R. Vol. II, p. 558), Winship No. 1,728,223 (R. Vol. II, p. 568), La-Prade No. 1,742,656 (R. Vol. II, p. 656), Storch United States and Austrian (R. Vol. II, pp. 661 and 539), Wheary No. 1,799,877 (R. Vol. II, p. 576), and Pownall No. 1,810,786 (R. Vol. II, p. 666). In all instances the devices in this group of patents have structures which are either inadequate or too complicated for practical usage and in reality

disclose that the Shoemaker device is a decided improvement and is in fact a meritorious invention. The Winship patent, for instance, was one of the earliest wardrobe case devices which went into usage for a short period of years. This Winship arrangement merely permitted a dress to be draped over an upper bar and required that the lower portion of the dress hang into and be housed in a compartment in the body section of a wardrobe case. The Wheary patent and the patent to Fasel and Garland picture modifications or alternative arrangements for accomplishing about the same purpose. The Storch patents illustrate absurdities in the way of anything which might be practical.

The last group of prior art patents are those which relate to loose wrapping devices or frames and are exemplified by Steuwer No. 1,641,705 (R. Vol. II, p. 564), Hopkins No. 1,861,274 (R. Vol. II, p. 610), Hamlin No. 1,869,418 (R. Vol. II, p. 673), and others. These frames or loose wrapping devices are not in any way integral with a suitcase and are awkward, bulky, and heavy. They must be separately loaded with a garment before being independently applied to a container.

In analyzing these groups of prior art patents we must bear in mind that Mr. Shoemaker was concerned with luggage wherein he sought to accomplish several specific and desirable ends. Mr. Shoemaker deemed it desirable and proper to have the garment folding and carrying fixture an *integral and permanent part of a luggage case*. He furthermore believed that the packing of full length garments should be accomplished in a manner so as to entirely house these garments and the holding and folding fixtures within the cover of a luggage case, so as to leave the body section of the case entirely free and accessible, and Mr. Shoemaker furthermore believed that these results should be accomplished in a luggage case of limited and reduced dimensions.

On the latter point we wish to bring out that the present invention is concerned with a piece of *hand luggage* which must of necessity be light and compact and susceptible of easy handling and it must be of such dimensions that it can be transported in the usual manner and stored under a Pullman seat during train travel. The fixtures must not project beyond the outlines of the case or difficulty will be encountered in packing the luggage case in the limited confines of a Pullman berth. All of these particular problems were solved in a most practical manner by Mr. Shoemaker and it can be said with assurance that very few of the twenty-four or more prior art patents offered in evidence by the defendants made any practical contributions to the hand luggage field or in any way solved the particular problems. We dare say, that outside of the wardrobe trunk patents, and possibly one or two of the paste board tailor's box patents not more than one or two of the structures of the suitcase patents ever went into practical usage, and so far as the record in this case discloses, only the structures of Winship and Fasel and Garland had any success commercially, and these structures were relatively short lived, and by admission of witnesses, including those of the defendants, have been supplanted today by structures following the teachings of the patent in suit.

In his deposition (R. p. 116) the patentee, Mr. Shoemaker stated,

“and I tried to develop a case which would carry clothing in a folded or hanging position in as small a dimension as possible.”

He was only familiar with the Winship type of case and fixture and on R. p. 118 in his testimony stated,

“I felt, in the first place, that in order to hang garments of any length, or I should say of considerable length, it required a large case, and I saw the desirability of producing something that was more

compact." * * * "First of all, I wanted to produce a case that was considerably smaller than that which was then on the market but with the same, or if possible, with greater capacity. I wanted the garments to be contained entirely in the cover and to be hung on the hanger or rack in such a way that they were carried in proper relationship to the carrying position of the case."

We further quote from the patentee's deposition on R. p. 122 as follows:

"The earlier arrangement, having a bar near the free end of the cover only, draped the garments from the bar vertically down into the so-called body of the case which was needed in order to accommodate the full length. A dress of 52" in length, for instance, required in the old construction (referring to the Winship type of case) a case at least 18" wide and a body 8" deep, whereas my invention allowed the same length to be packed in a case only 15" wide and without the use of a body section."

From this quotation it will be seen that in the earlier structures of the Winship type the height of the cover section had to be at least 18" and in addition thereto 8" of depth of the body section were required to house a 52" dress. With the Shoemaker invention the same length dress could be packed in a case which had a cover dimension or height of only 15"—this is a saving of 11" and is very important in effecting a compact luggage case of relatively modest dimensions.

There is a decided advantage in having the fixture equipped with a removable rod or hanger device. Mr. Shoemaker mentioned this advantage in his deposition on R. p. 121 and said:

"By having the rod removable the dress can be laid out on a bed or table, the rod inserted and the primary fold accomplished as shown in Fig. 3. The rod is then returned to its position at the base of the rack 12, while it is in horizontal position over the body of the case."

There is also a decided advantage in having the fixture arranged so as to be housed completely within the cover of a case and Mr. Shoemaker explained this on R. p. 122 by saying,

“It concentrates the mechanical parts of the hanging arrangement in one location.”

Obviously this concentration of the parts of the fixture leaves all of the rest of the cover clear and free for the accommodation of garments in conserved space. On cross-examination (R. p. 140) the witness stated,

“Well, the invention is for the purpose of carrying garments of any length and description, as is commonly done by people carrying luggage.”

On R. p. 141, in comparing his structure with that of Winship, Mr. Shoemaker stated,

“One of the objects of my invention was to reduce the size of the case, still retaining the hanging capacity.”

Mr. A. A. Ritter, connected with a licensee under the Shoemaker patent, which licensee has been engaged in substantial exploitation of the invention within the United States, testified in his deposition (R. p. 178) that the Shoemaker invention was very desirable and

“It allows us to bring them (meaning dimensions of a case) down to a reasonable dimension and easy to carry and small in size, which is quite necessary, particularly so in women’s luggage.”

In comparing cases of the Winship type with present luggage cases embodying the Shoemaker invention Mr. Ritter said (R. p. 188),

“The case (Winship type) would necessarily have to be made of an extreme width that might be very inconvenient for a woman to carry.”

This was with reference to accommodating a garment of the length which the Hartman “Skyrobe,” equipped with a fixture embodying the Shoemaker invention, will carry.

Advantages of the Patented Structure.

Some of the previous discussions in connection with other topics have incidentally set forth the advantages of the structures embodying the Shoemaker invention. Mr. Shoemaker's deposition sets forth very clearly the points he had in mind in developing the invention, and the deposition of Mr. A. A. Ritter develops the advantages of the structure from a commercial standpoint and emphasizes the desirability of the Shoemaker features in present day wardrobe hand luggage. The advantages of the patented structure must be obvious and the patentee has been paid the compliment of having his development substantially copied by the defendants in this litigation. Obviously these defendants find the structure in question to be extremely desirable, or they would not have appropriated the precise features of the patent in suit.

Mr. Roemer in his testimony (R. p. 204 et seq.) clearly points out some of the desirable features found in luggage cases incorporating the structure of the patent in suit.

It must be recognized that at the time of Mr. Shoemaker's invention wardrobe hand luggage then available was most inadequate and makeshift and unsuited for practical purposes. Immediately following Mr. Shoemaker's development the idea "caught on" and spread like wild fire and luggage cases embodying the invention have been sold in Canada and the United States since 1929 in tremendous numbers. This invention has supplanted all other devices in its field and most obviously has filled a long felt need. Some of defendants' witnesses admitted that the earlier structures cannot be sold today and Mr. Maurice Koch admitted that his alleged 1928 development is "an entirely different fixture. It operates differently from this" (R. p. 334). Witnesses for the defendants further admitted that

earlier forms of luggage cases which they had formerly exploited had been superseded by the present complained of types of luggage cases and that the former types of luggage cases would not sell today. (See testimony of Albert Kantrow, R. p. 339.)

The Law Applicable to Filing a Long Felt Want.

The foregoing shows that the luggage industry had long sought an answer as to how to effectively house within the cover section of a luggage case a full length garment such as a dress, maintaining the garment in a proper condition with compound folds therein, without subjecting the garment to displacement, dishevelment, or creasing. The problem was solved by Mr. Shoemaker. Now, by the exercise of hind sight the solution seems simple, but this is a tribute to Mr. Shoemaker's creative ability.

The Ninth Circuit Court of Appeals has commented on similar situations. In *Pyle Nat. Co. et al vs. Lewis*, 92 F. (2d) 628, 630, the Court said,

"It is also insisted that the idea involved in appellee's device is so simple and obvious it does not constitute invention. True, it now has that appearance. The fact, however, that this improvement was long overlooked, using devices far less satisfactory, cannot be ignored."

To the same extent are:

Expanded Metal Co. vs. Bradford, 214 U. S. 366, 381;

Forestek Plating & Mfg. Co. vs. Knapp-Monarch Co., 106 F. (2d) 554 (C. C. A. 6, Sept. 18, 1939).

Commercial Success and Recognition of the Shoemaker Invention.

It is difficult to conceive of a case wherein the patent in suit has received a higher degree of recognition and has had attached thereto a more persuasive showing of commercial success than in the instant litigation. This fact was recognized by the District Judge who specifically found:

“That the invention of the patent in suit has had a great commercial success and has gone into wide and extensive use in the United States and elsewhere” (Finding 4, R. p. 86).

This finding was adequately supported by the evidence and can not be assaulted nor overthrown. The Shoemaker invention had its inception in the latter part of the year 1928. Early in 1929 exploitation of the same was commenced in Canada with considerable success and in the early part of 1929 the invention was introduced into the United States, at which time Mendel-Drucker Co. of Cincinnati, Ohio, voluntarily requested and obtained a license under the patent in suit. This was followed a few years later by a license issued to the Wheary Trunk Co. of Racine, Wisconsin, and the Hartmann Trunk Company of Racine, Wisconsin, voluntarily negotiated for and secured a license effective as of January 1, 1935. All of these companies have been operating in the United States under licenses since the grant of the patent and articles of hand luggage embodying the invention have been sold in vast numbers from coast to coast.

Coupled with the normal presumption of validity which attaches to the issuance of a patent we have this widespread recognition of the patent in suit, plus the existing licenses which have been granted to the foremost companies in this industry in the United States. Recently the patent owners granted a license to Vogue Luggage Co. of San Francisco, California, and this company through a consent decree, offered in evidence as plaintiff's Exhibit 12, acknowledged

validity and infringement of the Shoemaker patent in suit. The present defendants have paid the inventor the compliment of appropriating his novel combination and these defendants are exploiting the invention with considerable success and, in fact, their present accused products have supplanted prior luggage case structures which they manufactured and sold before becoming acquainted with the novel Shoemaker luggage case structure.

As to the extent of exploitation of the invention in Canada, Mr. Shoemaker in his deposition stated on R. p. 125,

“Well, since I invented it we have made at least 150,000.” * * * “and they have been sold in Canada.” * * * “used quite extensively.”

The United States patent of Mr. Shoemaker has been of considerable value to his company and Mr. Shoemaker furthermore stated on R. p. 126 in regard to what the McBrine Co. received for license rights,

“We receive money, and other considerations in the form of exchange of ideas from each of them.”

On page 126 it is brought out that the United States patent has been of value to the McBrine Co. in permitting an exchange of ideas and closer working relationship with certain mentioned leading United States companies and the patent has furthermore given the owners added prestige in the industry.

The deposition of Mr. Shoemaker on R. p. 124 brings out the grant of licenses to the United States companies previously mentioned. Luggage cases made by these companies in the United States

“are sold practically everywhere in the United States because these companies operate nationally and I have seen cases made by them in stores in various parts of the United States” (Shoemaker deposition R. p. 125).

Mr. A. A. Ritter of the Hartmann Trunk Company, in his deposition (R. p. 170 et seq.) brought out the facts leading up to the license obtained by said company under the Shoemaker patent in suit. By reference to plaintiff's Exhibit 3 numerous illustrations and representations of articles of hand luggage made and sold by this licensee will appear. This licensee numbers among its dealers some of the largest and most representative stores in the United States including Saks-Fifth Avenue of New York City; Filene's of Boston; John Wannemaker of Philadelphia; Marshall Field of Chicago; Neiman-Marcus of Dallas, Texas; Bullocks and I. Magnin & Co. on the Pacific Coast (Ritter deposition R. p. 173). The same witness, on R. p. 179, brought out that to date Hartmann Trunk Company has manufactured over 1,200 men's cases and approximately 69,000 ladies' cases embodying the features of the Shoemaker patent in suit.

The Law Applicable to Commercial Success.

One of the best statements on this phase of the law is found in the very recent Ninth Circuit Court of Appeals case of *Research Products Co. vs. Tretolite Co.*, decided September 7, 1939, 106 Fed. (2d) 530, 43 U. S. P. Q. 99, wherein Judge Wilbur, speaking for the Court, said,

“So great and immediate a success speaks strongly of invention, adding to the strong presumption of invention, raised by the issuance of the patent.”

The Shoemaker invention filled a long felt need—that is most certainly evidence of invention. Shoemaker's fixture-equipped hand luggage has been copied and imitated. The public has paid the tribute of enormous purchases and leading companies in the industry have secured licenses. These facts even more clearly evidence the fact that the creation of the Shoemaker hand luggage case was invention. On this subject attention is respectfully directed to the following additional citations:

Forestek Plating & Mfg. Co. vs. Knapp-Monarch Co., 106 F. (2d) 554 (C. C. A. 6);
Bankers Utilities Co. vs. Pacific National Bank, 18 F. (2d) 16 (C. C. A. 9);
Minerals Separation vs. Hyde, 242 U. S. 61;
Eibel Process Co. vs. Minnesota & O. Paper Co., 261 U. S. 45.

The Infringing Structures Manufactured and Sold by the Defendants.

As this litigation involves infringement by two sets of defendants, consolidated for purposes of trial, technically perhaps the structures of both sets of defendants should be discussed. The alleged infringing luggage cases manufactured and sold by the defendants Herman Koch et al are shown by the physical exhibit, plaintiff's Exhibit 7, as well as the photographic exhibits, plaintiff's Exhibits 7A and 7B (R. Vol. II, pp. 468 and 469). Likewise the structure manufactured and sold by the defendants Silverman et al (Balkan) is exemplified by the physical exhibit, plaintiff's Exhibit 8, as well as by the photographs, plaintiff's Exhibits 8A and 8B (R. Vol. II, pp. 470 and 471). These structures were, admittedly, through stipulations and answers to interrogatories, manufactured and sold by the various defendants herein within six years prior to the filing of the bills of complaint. The luggage cases of the Silvermans et al were equipped with a "Rite-way" fixture manufactured by Milwaukee Stamping Company but more recently the defendants Silverman et al have adopted a fixture in their luggage cases manufactured by Presto Lock Corporation. This later fixture is included in one of defendants' exhibits bearing exhibit number T. By admission the luggage case structure of Exhibit T and the fixture therein is to all practical intents and purposes the same structurally as the structure in plaintiff's Exhibit 8. Inasmuch as the struc-

tures of both sets of defendants are the same in the relationship of component parts and operation, we will only here compare the Koch et al case with the relied upon claims of the patent in suit for the purpose of showing prima facie infringement. In the depositions taken on behalf of the plaintiff the witness Ritter discussed the accused structures and showed how they responded to the claims of the patent in suit and during the trial Mr. Roemer also applied certain of the claims of the patent in suit to the structures of both sets of defendants.

Opposite page 22 of this brief immediately following this discussion, we have reproduced showings of the Koch et al luggage case in evidence as plaintiff's Exhibit 7 and have graphically applied the elements of a number of the claims to this piece of hand luggage. This will disclose rather clearly the fact that the structures of the defendants freely respond to the relied upon claims of the patent in suit. This showing, coupled with the testimony in the case, establishes without any doubt, the fact that the accused structures are clearly within the contemplation of the relied upon claims of the Shoemaker patent.

At this point it may be stated that the plaintiff is relying on the following claims in the Shoemaker patent in suit, viz: Nos. 4, 8, 10, 11, 12, 19, 23, 24, 26 and 27. The structures of both defendants are alleged to infringe all of these claims.

It may also be helpful to the Court to refer to plaintiff's Bill of Particulars (R. pp. 30 to 39 inclusive) wherein the plaintiff, at the insistence of the defendants Silverman et al, made a detailed application of the patent claims to the accused structure.

On the question of prima facie infringement we also desire to emphasize the findings and conclusions of law of the District Court. In Finding No. 5 (R. p. 87) the District Court found:

“That the accused structures manufactured and sold by the defendants are fairly readable upon and respond to the relied upon claims of said patent in suit No. 1,878,989.”

As a conclusion of law it was held in Conclusion No. 2 (R. p. 87):

“If valid, the relied upon claims of the Shoemaker patent No. 1,878,989 would be infringed by the accused structures of the defendants.”

Under Rule 52 of the Federal Rules of Civil Procedure findings of fact shall not be set aside unless clearly erroneous. The evidence clearly sustains the above quoted finding and conclusion and the same must stand.

The Absurdities in the Defendants' Several Theories of Non-Infringement.

The defendants in the instant litigation have appropriated the structural features and spirit of the Shoemaker patent in suit but in the Court below, as an excuse for their actions, urged several unique and unsupported theories as to why their accused structures are not within the relied upon claims of the Shoemaker patent. We will show that there is no basis in law or in fact for the positions taken by the defendants in these particulars.

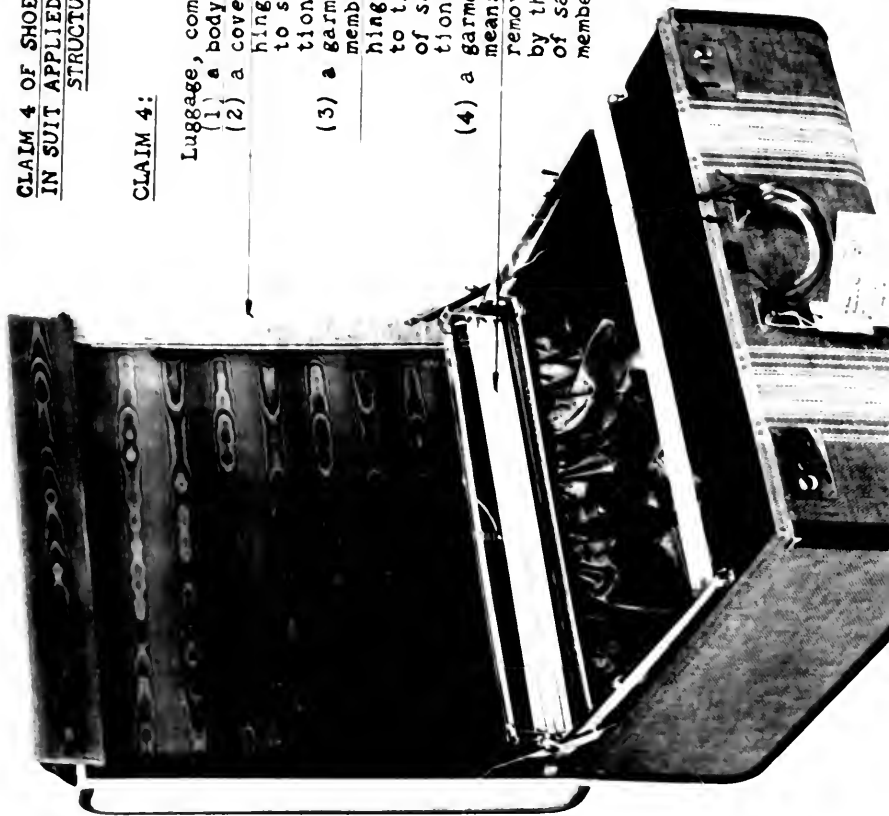
What is or is not the “hinged side” of the cover of a luggage case: In view of the fact that a number of the relied upon claims of the Shoemaker patent in suit define the garment supporting member or frame as being hingedly connected to the *hinged side* of the cover portion of the luggage, it becomes important to ascertain what in fact constitutes a hinged connection as between a garment supporting member or frame in a piece of hand luggage, and the hinged side of the cover of the luggage. The defendants urged the very narrow and unwarranted theory that the “*hinged side*” of the cover, as contemplated by Shoemaker

CLAIM 4 OF SHOEMAKER PATENT
IN SUIT APPLIED TO DEFENDANTS'
STRUCTURES.

CLAIM 4:

Luggage, comprising

- (1) a body portion (A);
- (2) a cover portion (B) hingedly connected to said body portion;
- (3) a garment supporting member (C) hingedly connected to the hinged side of said cover portion and
- (4) a garment supporting means (D) removably carried by the hinged side of said supporting member.





ELEMENTS FROM OTHER
RELIED ON CLAIMS OF
PATENT IN SUIT AP-
PLIED TO DEFENDANTS'
STRUCTURES

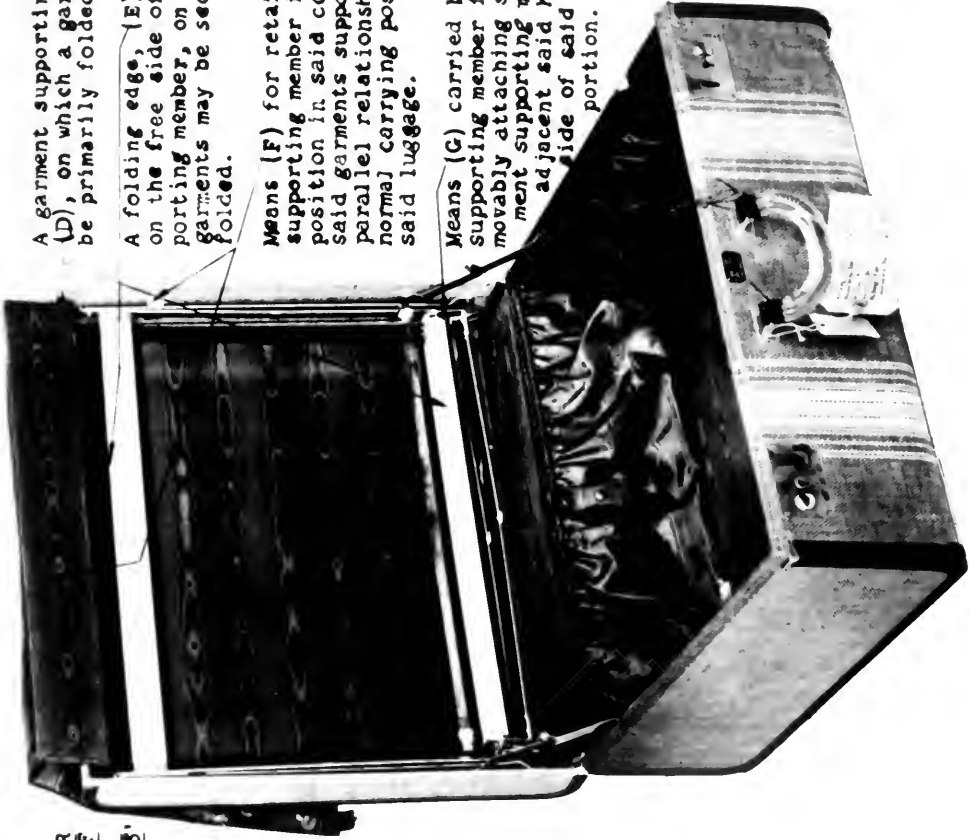
A garment supporting means, (D), on which a garment may be primarily folded,

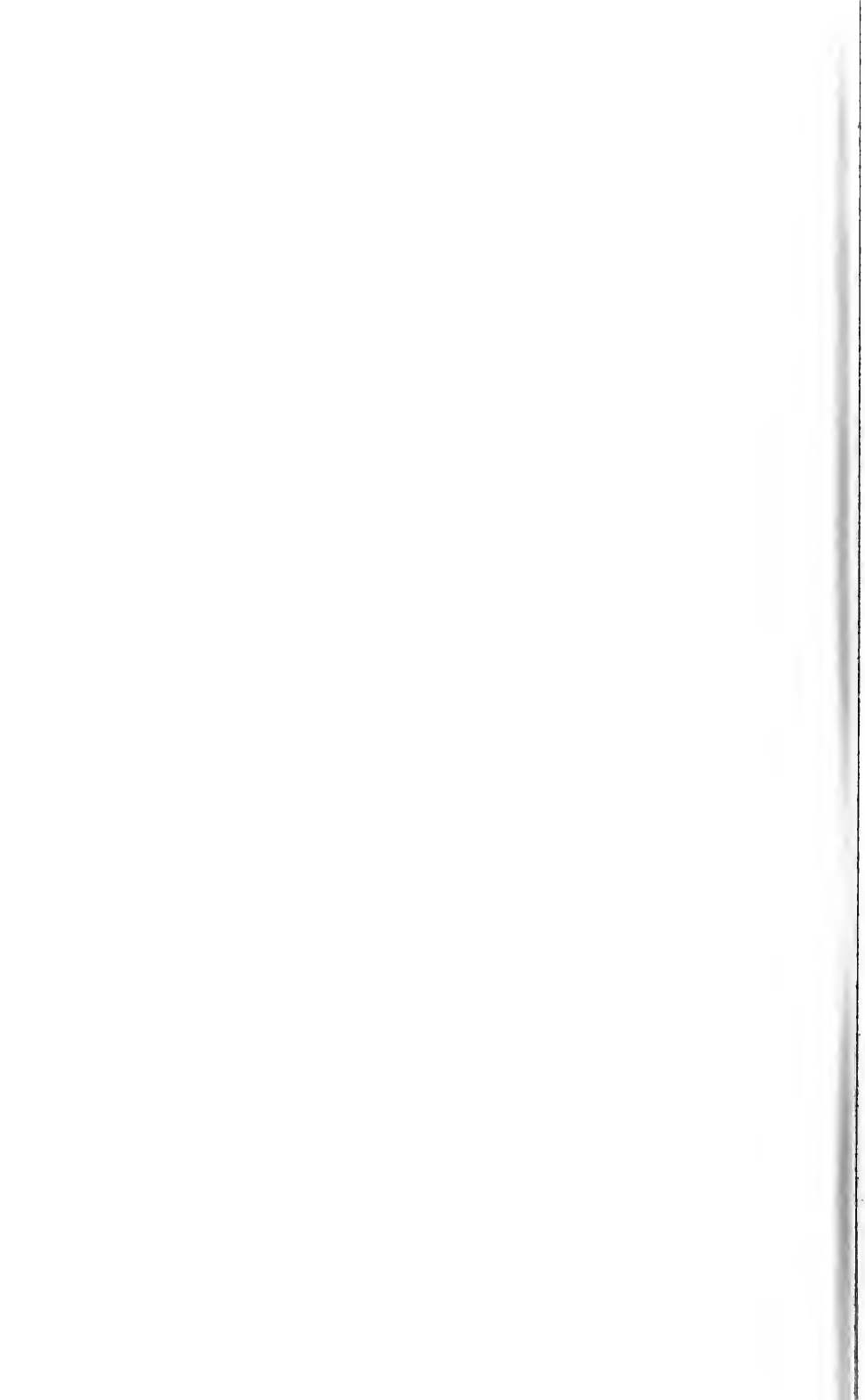
Claims,
8, 10, 11

A folding edge, (E) formed on the free side of said supporting member, on which said garments may be secondarily folded.

Means (F) for retaining said supporting member in packed position in said cover with said garments supported in parallel relationship to the normal carrying position of said luggage.

Means (G) carried by said supporting member for removably attaching said garment supporting means adjacent said hinged side of said cover portion.





means a specific rear or inner panel of the cover—in other words the particular rear panel which is directly fastened by hinged means to the body section of the case.

We assert that this construction of the claims does violence to their intended meaning and to the ordinary theories and principles of patent law concerning mechanical equivalency and interpretation of phraseology. The debate seems to be over the construction of two words, namely, “side” and “connection.” To ascertain what is implied by these words appearing in the Shoemaker claims it would seem proper to consult two sources—the dictionary and the Shoemaker patent specification. We logically contend, of course, that in the claims the “hinged side of the cover” is used as a relative term to designate that zone of the cover which is adjacent the hinged connection with the body section of the case as distinguished from the opposite free or swingable end or side of the cover. The definition of “side” found in *Webster’s New International Dictionary—Second Edition*, exactly coincides with our interpretation of this term as in Webster’s dictionary the following definitions of the word “side” appear:

“a place, space, or direction with respect to a center or a line of division, as of an aisle, river, or street; as altars on either *side*; put to one side.”

“a part located in a particular direction from a center or line of division; as one *side* of a room or city.”

These definitions correspond precisely with Mr. Roemer’s interpretation as to what was meant by the expression “hinged side of the cover.” We respectfully direct the Court’s attention to the following excerpts from the testimony of Mr. Roemer:

“I don’t think the hinged side of the cover is in any way limited by the patent or by the general meaning of the term ‘hinged side’ to any specific panel or part of the case.

“Q. The term ‘hinged side of the cover’ doesn’t in your estimation refer to any specific wall of the cover?”

“A. Indeed it doesn’t. It just refers to one general side of the cover.

“Q. Is it a relative term distinguishing one particular end of the cover as with relation to the free end of the cover?”

“A. Yes, it is. It is used to designate the general position within the cover.

“Q. I would like to read a portion of Paragraph 3 on Page 1 of the Shoemaker specification and would ask whether this statement bears out your theory: ‘A further object of my invention is to provide a supporting member which is hingedly mounted relative to the hinged side of the cover portion of the luggage.’

“A. ‘Relative to’ in that sense means in the neighborhood of.

“Q. Would you say the patentee intended to be restricted to any particular wall of the cover?”

“A. No. As a matter of fact, I am quite sure he did not” (R. pp. 226 and 227).

Again on R. p. 252 Mr. Roemer very clearly stated,

“By ‘hinged side of the cover’ I mean, and I think the Shoemaker patent clearly means, that portion of the cover which is near the hinge as distinguished from that portion of the cover which is free.”

Mr. Roemer, in the later discussion, explained his theory of the “hinged side of the cover” and it is interesting to note that his theories correspond almost precisely with the before quoted definitions of “side” from Webster’s dictionary. On cross-examination (R. p. 260) he was asked:

“Q. Therefore you base your definition in that case on the definition of the side of the cover as if the cover was split in half and entirely across, and in one half of it, the lower half, is one side and the upper half is the other side; is that correct, is that your definition that you have in mind?”

And the witness' answer was as follows:

“A. Yes. Not necessary to split the cover in half, but just to say the hinged side is one side and the free side is the other side.

“Q. Well, which side is the hinged side?

“A. The hinged side is that side adjacent to which the cover is hinged to the body member.”

By reference to the specification and claims of the Shoemaker patent in suit it will become evident that the patentee did not intend to limit his invention to the hinging of his frame to a specific wall or panel of the cover. It was simply the patentee's theory that the hinge or pivot connection for the frame should be a connection with the cover in the zone of the hinged area or end portion of the cover. This was for the purpose of locating and confining the movable parts and associated elements within a particular portion of the cover so as to make use of the remaining length of the cover for packing purposes. This theory is absolutely borne out by the statement on Page 1 of Shoemaker's specification, lines 11, 12, 13 and 14, reading as follows:

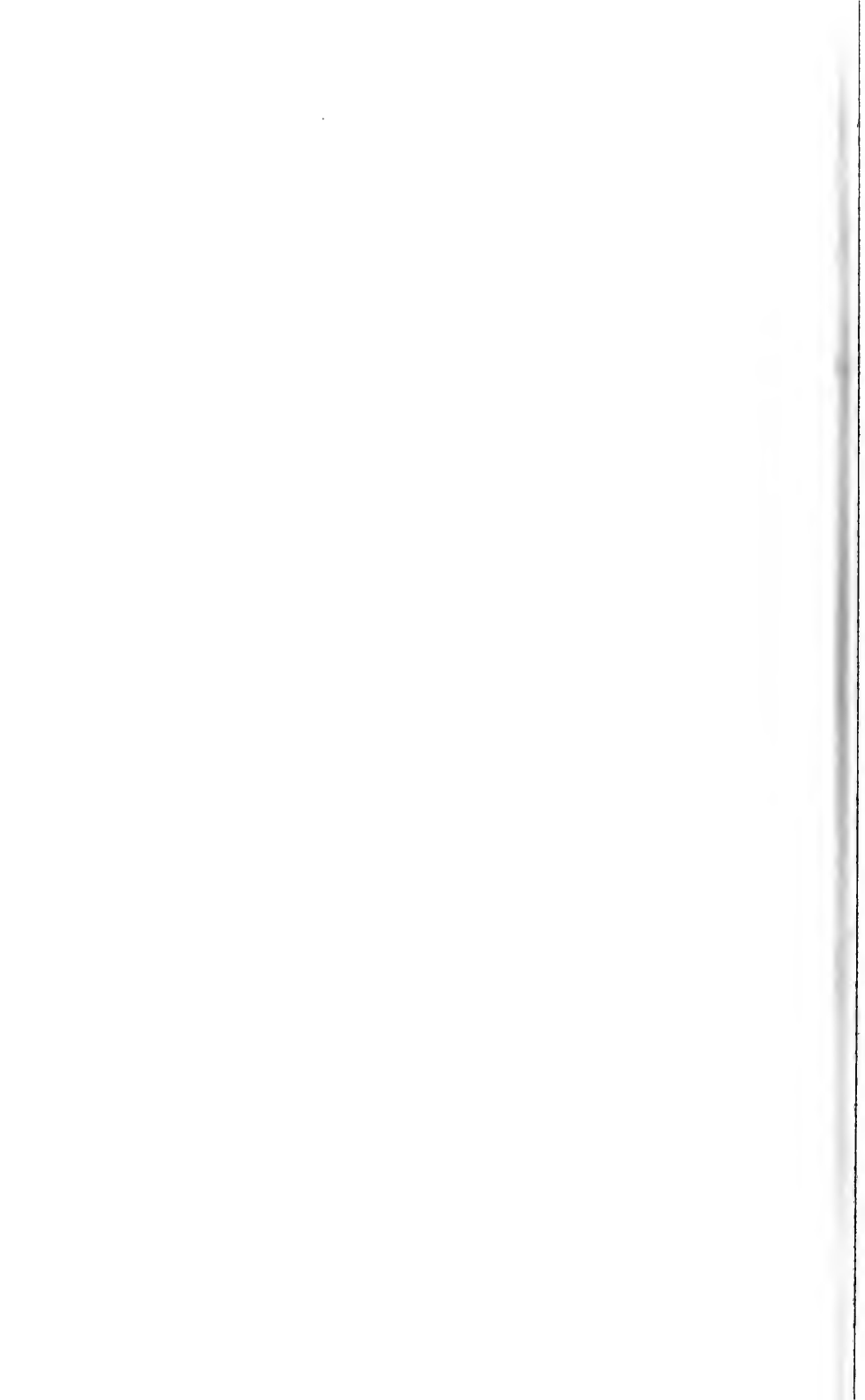
“A further object of my invention is to provide a supporting member which is hingedly mounted *relative to the hinged side* of the cover portion of the luggage * * *”

On Page 2, lines 29 to 33, the patentee states,

“I do not wish to be limited in the means or manner whereby the base portion 16 of the supporting member 12 is hingedly or pivotally connected in relationship to the cover 10.”

By this statement it is very obvious that the patentee felt that he was entitled to the usual range of equivalency.

The defendants, in their attempt to read an unwarranted limitation into the relied upon claims of the Shoemaker patent, have in this respect, entirely overlooked relied upon claim 27 which does not define the mounting of the frame in the manner referred to in connection with the other claims.



drawings it will appear that the frame member is designated 12 and the side extremities of its inner end carry attached and outwardly projecting pins 15. The projecting ends of these pins pass into openings in certain ears or brackets 14, which ears or brackets are anchored to the bottom or inner panel of the luggage case cover. We respectfully direct the Court's attention to Fig 1 appearing opposite page 26 of this brief which represents the showing of Fig. 1 in the Shoemaker patent. For convenience the bottom or inner panel of the cover has been colored yellow and the ears or brackets 14 mounted on this panel are colored red. This will disclose the fact that the frame 12 is not in fact hingedly connected *directly* to the yellow panel A but is connected to this panel through the medium of the red ears or lugs 14 which are secured on the panel A, toward the side edges thereof. Now, let us assume that these red ears or lugs 14 are moved to the extreme side edges of the panel A, in which case they became merged with the lower portions of the side walls B of the cover. In that case the ears or lugs 14 could be dispensed with and the hinge pins 15 could be attached directly to the lower side wall portions B of the cover. This is precisely the arrangement utilized by the defendants in this litigation as disclosed in Fig. 2 of the drawings opposite page 26 of this brief. It is simply an equivalent arrangement wherein those portions of the lower side walls of the cover which are colored red serve as the red ears or lugs 14 in Fig. 1 (the specific Shoemaker disclosure).

In Shoemaker's specific illustration the inner end of the frame 12 is connected to the hinged panel A through the medium of upstanding lugs or ears 14. In the structure of the defendants, the inner ends of the frame 12 are hingedly connected to the same panel A through the medium of the portions 14 of the side walls of the cover which serve exactly the same function as Shoemaker's lugs or

ears 14. Hence, just as in the Shoemaker disclosure, the defendants' frames are hingedly mounted on the hinged side of the cover of the case and this is absolutely a fact even if the most narrow interpretation is given to Shoemaker's claims. It seems to us that there is literal fidelity to the language of the claims; and there is certainly the most obvious equivalency.

Before leaving this subject we wish to point out the fact that the claims under consideration require that the garment supporting member or frame be *connected* to the hinged side of the cover portion. *Webster's New International Dictionary* defines "connect" as follows:

"to join or fasten together, as by something intervening."

In the specific Shoemaker showing the frame is fastened to a certain panel of the cover through the intervening lugs or ears 14. In the defendants' structures the garment frame is joined or fastened to the same panel of the cover through the intervening areas 14 of the side walls B of the cover. Under any interpretation there can be no question but what the defendants' structures are fully responsive to the claims in suit, either on the theory of mechanical equivalency or on an absolute literal and most limited reading of the claims.

A relatively recent case decided by the Ninth Circuit Court of Appeals merits consideration in its applicability to the present questions. Reference is made to *Reinharts Inc. vs. Caterpillar Tractor Co.*, 85 Fed. (2d) 628, wherein the Court said on pages 635 and 636:

"Appellant contends that, since each of the patents in suit is for a mere improvement, the claims thereof 'must be strictly limited to substantially the identical construction described in the specification.' That is not the law. It is the claims of a patent, not its specifications, which measure the invention."

“ ‘the monopoly granted by the patent is not to be limited to the identical devices exhibited in the drawings or prescribed in the specifications.’ ”

“but it is not true that only primary patents are entitled to invoke the doctrine of equivalents. *Continental Paper Bag Co. vs. Eastern Paper Bag Co.*, supra, 210 U. S. 405, at page 415, 28 S. Ct. 748, 52 L. Ed. 1122. A patent for a meritorious improvement in an old art is entitled to liberal treatment. *Eibel Process Co. vs. Minnesota & Ontario Paper Co.*, 261 U. S. 45, 63, 43 S. Ct. 322, 67 L. Ed. 523. The *Turnbull*, *Holt*, *Wickersham* and *Whitacre* inventions, though not basic or primary, are substantial and important and are, therefore, entitled to a fair range of equivalents. *Stebler vs. Riverside Heights Orange Growers' Ass'n (C. C. A. 9)* 205 F. 735, 740.”

See also *Sanitary Refrigerator Co. vs. Winters*, 280 U. S. 30, on page 42, wherein the Court said:

“A close copy which seeks to use the substance of the invention, and, although showing some change in form and position, uses substantially the same devices, performing precisely the same offices with no change in principle, constitutes an infringement.”

Defendants' Extension or Auxiliary Frame Does Not Relieve Them of Infringement.

In the Shoemaker patent the garment supporting member or frame carries at its inner end one or more removable garment bars or hangers. This frame is movable from a vertical position within the cover to a horizontal position overlying the body section of the luggage case. Both sets of defendants manufacture and sell a luggage case wherein the main frame is equipped with an auxiliary or extension frame. When the frame and luggage case of these defendants are being used the auxiliary frame is folded over into a coinciding position with the main frame and the removable garment bars are then located on the hinged side of said supporting member or main frame.

Mr. A. A. Ritter, during the taking of his deposition, examined the luggage cases of both sets of defendants and in fact loaded or packed the same with the auxiliary frame members in their folded over or collapsed positions. This was likewise done by our expert Mr. Roemer during the trial of the cause in the District Court and it appeared that the defendants' devices merely provided for alternative modes of packing or loading. That is to say, in some instances it might be desirable to load the fixtures with the auxiliary frames projected to vertical positions. Either mode of loading is equally practical. With reference to the auxiliary frames on defendants' fixtures Mr. Ritter stated (R. p. 180):

“This is merely additional and the case can be packed with the fixture in a vertical position or in a horizontal position.”

On R. p. 181 Mr. Ritter also brought out that when the fixture of the defendants is functioning as a carrying unit within a packed case the entire fixture is lodged within the cover of the case and the individual removable hanger bars are always positioned at the inner end of the cover adjacent the hinged connection of the cover with the body.

The matter of the auxiliary or extension frames on the defendants' fixtures was also discussed at the trial by Mr. Roemer who said (R. pp. 220 and 221):

“This is a feature entirely additional to the other features, and, according to my first demonstration, the fixture may be used in either way * * * and it must at one time be in the position I am illustrating now; that is, by the main supporting frame in a horizontal position so that when the frame is raised to its packed position within the cover it folds and stores the garment.” * * * “In this case also the garment is placed on the bar in this vertical position if desired whereafter it must be returned to its horizontal position, and whereafter the main supporting frame, the *important part of the structure*,

must be used in the way that is taught by the Shoemaker patent to raise and store and pack the garments all in one operation.”

On R. p. 222 the witness brought out that in plaintiff’s Exhibit 7, the Koch et al accused structure, lugs on the side arms of the extension frame engage over the side arms of the main frame so that when the extension frame is in its folded position the arms of the auxiliary frame and the arms of the main frame become one and move as a unit. With respect to plaintiff’s Exhibit 8, the Silverman et al structure, the witness on R. p. 222 of the transcript brought out that a transverse bar on the main frame supports the auxiliary frame when it is folded over and,

“the auxiliary arms and the main arms come together and function as a single arm. There is no added function in this use of the device gained by the use of the auxiliary arms.”

In attempting to argue that their structures do not infringe the Shoemaker patent by virtue of the extension or auxiliary frames, the defendants lose sight of the fact that in normal usage—that is when a case is packed and carrying garments—the frames with the garments thereon are in fact collapsed and lodged within the covers of the luggage cases. During these periods the auxiliary frames have absolutely no function and the only effective instrumentality is the composite frame which has mounted on its inner end the removable garment bars. The defendants cannot escape the charge of infringement by saying that some times, during optional disposition of the fixture for packing purposes the parts are temporarily disposed in a manner different than the disposition of the relative parts in the Shoemaker patent. The fact is that this is only a temporary arrangement of the parts of the mechanism. Most of the time and during actual usage of a luggage case the parts of defendants’ fixtures are located, used, and operate precisely as the fixture of the Shoemaker patent.

A similar situation was before the Court in the case of *Farrington vs. Haywood*, 35 Fed. (2d) 628. In this case the defendant, as here, alleged that infringement did not exist because during some stages of the operation of its device the elements were disposed and functioned differently than in the device of the patent. However, the Court said:

“It will therefore infringe at some stage of its operation. *It is unnecessary that it infringe at all stages.* The elements of helicoidal twists and ‘journaling means’ do not appear in the claim, and their omission in substance, from the defendant’s device does not therefore avoid infringement of this claim. Doubtless the defendant’s stirrer has some functions not possessed by the plaintiff’s, and it may be under some conditions an improvement thereon, but this fact also does not avoid infringement.”

Another way of looking at this situation is that possibly the structure of the present defendants is the structure of the patent *plus* an additional element. The law is well settled that infringement cannot be avoided by adding something to a patented combination. If the patented combination is found in the accused structure there is infringement regardless of how much or how little the defendants have seen fit to add to the patented combination. Citations on this point are numerous and we mention the following:

“Defendants therefore cannot escape infringement by adding to or taking from the patented device by changing its form, or even by making it somewhat more or less efficient, while they retain its principle and mode of operation and attain its results by the use of the same or equivalent mechanical means.” *Lourie vs. Lenhart*, 130 F. 122, 64 C. C. A. 456; (*Leston*) *Letson vs. Alaska Packer’s Association*, 130 F. 129, 64 C. C. A. 463; *Eck vs. Kutz*, (C. C. A.) 132 F. 758.

The Ninth Circuit Court of Appeals has also heretofore passed on the question at hand and we direct attention to *Smith Cannery Machines Co. vs. Seattle-Astoria Iron Works*, 261 Fed. 85, wherein the Court on page 88 said:

“The fact, if it be a fact, that the infringing machine is superior, more useful, and more acceptable to the public than that of the appellant, does not avoid infringement, so long as the essential features of the appellant’s patented machine are used, unless its superiority is due to a difference in function or mode of operation or some essential change in character.”

It is also interesting to observe that the defendants, in the Court below attempted to invoke the unique theory that liability for infringement may be avoided by virtue of operation under a patent issued after the issuance of the Shoemaker patent in suit. In this respect the defendants Silverman et al alleged that the fixtures they are *now* using are manufactured by Presto Lock Company under a certain Levine patent No. 2,091,931. The fact of the matter is that this Levine patent issued August 31, 1937, or approximately five years after the issuance of the Shoemaker patent in suit. Also, this patent purports to cover and covers simply a refinement in the matter of latch and projecting means for the trolley rods at the outer end of the auxiliary frame. In regard to this late Levine patent the Court’s attention is respectfully directed to the testimony of Mr. Roemer commencing on R. p. 400 as follows:

“Every claim of the Levine patent is limited to the structure which supports the garment bars on a fixture in a suitcase. That structure is a little tube with a plunger in it and snaps at the end of the plunger and a hook on the ends of the garment bars. The Levine patent is directed solely to that portion of a fixture.”

The defendants Silverman et al argued that inasmuch as their present fixtures are marked with the patent num-

ber of the Levine patent, a presumption attaches that infringement does not exist. This is an untenable proposition. It very frequently happens that the Patent Office will grant improvement patents after the issuance of earlier dominating patents but the structures of the improvement patents cannot be manufactured and sold without a license from the owners of the earlier dominating patents.

This particular question was clearly decided by the Supreme Court of the United States in *Temco Electric Motor Co. vs. Apco Mfg. Co.*, 368 O. G. 259, which case is authority for the proposition that an improver cannot appropriate the basic patent of another, and an improver without a license is an infringer, and may be sued as such.

Likewise the Ninth Circuit Court of Appeals has spoken on the same subject in *Jonas et al vs. Roberti*, 7 Fed. (2d) 563 wherein the Court stated, Page 564:

“The appellants rely upon the presumption which attaches to the issuance of their patent, and thereon argue that there must be a substantial difference between the two combinations. But the conclusion does not follow. The Malerstein patent may have been issued upon the ground that it discloses an improvement over the appellees’ mattress sufficient to entitle Malerstein to protection in that which he added to the art. But an inventor cannot be deprived of the benefit of the idea which he has disclosed to the public by improvements subsequently made by another in carrying forward the art.”

The argument of the defendants Silverman et al in this particular is furthermore of no avail because the fixtures, bearing the patent number of the Levine patent were only adopted by them at a recent date. The record of this case will disclose that prior to the institution of this litigation the defendants Silverman et al utilized fixtures manufactured by Milwaukee Stamping Company which were not un-

der the Levine patent, as exemplified by plaintiff's Exhibit 8. Furthermore the fixtures utilized in the wardrobe cases of the defendants H. Koch & Sons, as exemplified by plaintiff's Exhibit 7, are not manufactured under any patent.

Law on the Subject of Invention and Novelty Over the Prior Art.

The defendants, as is customary, assert that the Shoemaker patent does not, in the light of the prior art possess novelty and disclose invention. Attention is directed to the fact that the claims of the Shoemaker patent are combination claims. In a combination even though all of the elements separately are old in the art, which is not the case here, invention may be predicated on so associating and arranging the various elements as to produce a new and novel combination susceptible of producing results and advantages not suggested by the prior art.

In this connection it may be well to briefly refer to a Ninth Circuit case dealing with this question of invention and novelty.

Bankers Utilities Co. Inc. vs. Pacific National Bank, 18 Fed. (2d) 16, C. C. A. 9th Circuit, March 28, 1927.

“It is recognized that merely to assemble old elements does not constitute invention. But, upon the other hand, an aggregation and association of old elements may constitute invention, if it rises above mere mechanical skill and produces utility of a superior virtue to that previously attained.” Bloss vs. Spangler, 217 Fed. 394 (9th C. C. A.).

In the case at bar the defendants contend that certain of the prior art patents might by modification or changes, be rebuilt into a pertinent structure. On this point the Court in the above case made a rather significant and parallel statement as follows:

“Defendants show that a Gillette razor case, upon which they read the claims of the Farrington patent, No. 1,217,291, can, by certain changes or additions, be made to exhibit the essential features of plaintiffs’ cover; but Gillette cases were admittedly in common use, and it remained for counsel, under the exigencies of this litigation, and with plaintiffs’ commercially successful device as a model, to suggest the additions. Anticipation is not made out ‘by the fact that a prior existing device, shown in a prior patent, may be easily changed so as to produce the same result as that of the device of the patent in suit where the prior device was in common use, without it occurring to any one to adopt the change suggested by the patent in the suit.’” *Blake Automotive Equipment Co. vs. Cross Mfg. Co.*, (C. C. A.) 13 F. (2d) 32.

See also:

Butler vs. Burch Plow Co., 23 Fed. (2d) 15; C. C. A. 9th Circuit.

The Presumptions Attaching to the Shoemaker Patent in Suit.

The Shoemaker patent in suit is entitled to a number of presumptions which arise from the situations briefly listed as follows:

1. The presumption of validity and novelty attaching to a patent granted by the United States Patent Office after a thorough examination of the art by trained officials.
2. The invention met with immediate commercial success and acceptance extending from 1929 to date and the defendants, appropriating the invention some ten years after its introduction and commercial exploitation in this country cannot well contend that it was not a meritorious advance over the prior art.
3. A tremendous number of hand luggage cases embodying the Shoemaker invention have been

sold in the United States from coast to coast through leading stores and dealers and the purchasing public has demanded this type of luggage case because of its decided superiority. The Shoemaker patent is not a *paper patent*.

4. Leading United States manufacturers voluntarily negotiated for and secured licenses under the Shoemaker patent, believing it to be a marked advance and relying on the government grant.
5. The Vogue Luggage Co. of San Francisco, California conceded infringement of the Shoemaker patent and validity thereof, accepted a license under the patent and gave this plaintiff a consent decree in a pending suit in this jurisdiction.

All of the above spells recognition of the patent, decided commercial success and acceptance, and advantages in the patented structure recognized by experienced people in the industry to which it pertains.

Of the before listed presumptions, items Nos. 2, 3, 4, and 5 were found to be adequately supported by the evidence by the District Judge because he found in Finding of Fact No. 4:

“That the invention of the patent in suit has had a great commercial success and has gone into wide and extensive use in the United States and elsewhere.”

The District Judge furthermore found (Finding No. 5 and Conclusion No. 2) that the accused structures of the defendants were fairly readable upon and responded to the claims of the Shoemaker patent in suit.

On the question of the presumption of validity attaching to a patent especially where there was marked commercial success, see the Ninth Circuit case of *Claude Neon Electrical Products vs. Brilliant Tube Sign Co.*, 48 Fed. (2d) 176.

Also, on the presumption of validity see:

Smith vs. Goodyear, 93 U. S. 486, 498;

Marsh vs. Seymour, 97 U. S. 348;

Minneapolis etc. Ry. Co. vs. Barnett & Record Co., 257 F. 302 (C. C. A. 9);

Reinharts, Inc., vs. Caterpillar Tractor Co., 85 F. (2d) 628 (C. C. A. 9).

THE DEFENSES.

As stated earlier in this brief the defenses in this litigation involve but two general questions—first, the question of infringement of the claims of the patent in suit; and second, the question of the validity of the claims of the patent in suit. As no cross appeals were filed it must be assumed that the appellees are not attacking any of the findings and conclusions of the District Court. An analysis of the District Court's findings and conclusions of law will verify the fact that the judgment in these cases was based *only* on the opinion of the District Judge that the claims of the Shoemaker patent in suit were invalid because of an alleged 1928 unpatented development by one Maurice P. Koch, a son of one of the defendants in this litigation. The District Judge rejected all of the other miscellaneous defenses, found infringement if the Shoemaker patent is valid and therefore the main issue in this appeal must be concerned with whether or not the District Judge was correct in accepting the submitted proofs relative to the early Maurice P. Koch developments. As a further development of this thought, even though the District Court found such proofs to be acceptable it is our contention that the same were not properly applied with respect to the law and that under the controlling law the decision of the District Court must be reversed because the

evidence does not support Findings Nos. 6 and 7 and Conclusion of Law No. 1.

Under Rule 52 (a) of the Federal Rules of Civil Procedure findings of fact may be set aside by an appellate Court if clearly erroneous. It is our contention that in the instant situation the evidence does not support the finding and the corresponding conclusion of law to the effect that the Shoemaker patent in suit is anticipated by the alleged early Maurice P. Koch development. In the District Court there was simply a misapplication of the proven facts to the law.

The Alleged Maurice P. Koch Prior Invention, Prior Knowledge and Use and Sale.

In regard to this defense (the only defense accepted by the District Judge) we respectfully urge the following contentions:

1. The alleged prior invention and prior public use and sale defense re the Maurice P. Koch activities was not established by the character of proof required to overthrow a patent and must be rejected.
2. It is open to serious conjecture as to what form of structure Maurice P. Koch did in fact produce in 1928.
3. The defendants' Exhibits K, L and S exemplify fixture equipped luggage cases constructed just prior to the hearing of these causes in the District Court and said models were admittedly constructed in view of the exigencies of the litigation. Even as constructed at this late date the cases do not include fixtures having all of the claimed elements and resulting advantages of the structure of the Shoemaker patent in suit.

Before giving the defense material relating to the structure allegedly invented and produced by Maurice Koch in early 1928 any serious consideration, the Court should

carefully weigh and measure the testimony and evidence as against the rules enunciated by the Courts to the effect that an alleged prior knowledge and use or public use and sale is not acceptable to invalidate a patent if it is predicated primarily on parole evidence, especially if such evidence is produced at a date long after the events are supposed to have transpired. To be entirely charitable it must be said that this defense material is certainly open to serious question and raises substantial inquiries as to the authenticity of the same. The alleged prior invention and public use and sale by Maurice Koch was set forth in only the most general of terms in the Koch et al Answer filed many months before the hearing of this cause. In January, 1940, the plaintiff, through interrogatories sought to elicit from the defendants further information and tangible evidence of this Maurice Koch device. At that time the defendants could not furnish the plaintiffs with any evidence in support of the alleged prior use device. Four days before the trial of the cause, or on or about March 9, 1940, the defendants finally furnished plaintiff's counsel with answers to the interrogatories, supported by a photograph of a luggage case with the fixture therein (R. p. 79). The reason that this material was not furnished to the plaintiffs at an earlier date was because *it was not in existence*. The luggage case was admittedly manufactured for the purposes of this trial at a date just prior to the hearing (testimony of Maurice Koch, R. p. 292). The defendants would have this Court invalidate a duly issued United States patent of great merit on the basis of a structure produced solely for the exigencies of the litigation.

The exhibits in support of this prior public use and sale defense included defendants' Exhibit K, a newly built box having therein new fixtures; defendants' Exhibit L, a newly built box having therein allegedly old or original fixtures; and defendants' Exhibit S, which was admittedly con-

structed during the trial of the cause because the fixtures of Exhibits K and L did not function in a manner to permit their usage. In addition to these luggage box exhibits the evidence includes defendants' Exhibits M, N, O, and P (R. Vol. II, pp. 683, 684 and 685), which are respectively a Larkin Specialty Company production list, and ledger sheets and bills relating to H. Koch & Sons' transactions with this company for fixtures. Defendants' Exhibit R consisted of metal cups or brackets allegedly used in the early Koch structure. It is difficult to understand how the defendants could produce additional fixtures at will when it was understood from the testimony of Mr. Maurice Koch (R. pp. 292, 296, and 297) that the fixtures in defendants' Exhibit K were the only fixtures remaining from the original Larkin order of 1928.

In an attempt to support this alleged prior use and public use and sale, Mr. Maurice Koch first took the witness stand. Let us first understand that he is a son of Herman Koch and is connected with the defendant company known as H. Koch & Sons. Therefore, Mr. Maurice Koch was a most interested witness and he testified to events and transactions which transpired twelve years ago. We submit that the human memory is not as infallible as Mr. Koch would have us believe. Mr. Maurice Koch, of course, described the structures of Exhibits K and L but had to admit that the Exhibits were built at a very recent date. With relation to the prior art in 1928, the witness admitted (R. p. 291), that it was common to use a single roller type of fixture put in the lid of a wardrobe box. As we will point out hereinafter, that, according to our theory, is where the removable bar and sockets of the Koch fixtures were installed in the early 1928 cases. If this was not the situation why did not Mr. Koch produce and offer in evidence an original luggage box which was in his factory and

from which he removed the fixtures he subsequently assembled in defendants' Exhibit L? Mr. Koch, on pp. 296 and 297 of the Record, stated:

“The shorter one, here I took from an old box that had been, well, it was all smashed and I had it lying around the factory, and I just picked this up.”

It would seem that the original box, allegedly available, constituted the best evidence as to what Mr. Maurice Koch had produced in 1928. We feel it must follow that the substitute box, offered in evidence, did not have the fixtures mounted therein in the same relationship as they were in the early discarded box. According to the Shoemaker patent in suit, the particular arrangement and relationship of the various elements to produce compound folding of garments within the cover of the luggage case, is of the essence.

On page 296 of the Record the witness stated that in 1928 five thousand wardrobe cases with the fixtures therein were sold. The witness, Albert Kantrow, testified (R. p. 228) that from 1928 to 1931 or 1932 he sold at least one hundred to one hundred and fifty per month of the Maurice Koch luggage cases with the fixtures therein. These luggage cases were sold in San Francisco, throughout the West Coast, and all over in that vicinity. A piece of hand luggage is not fragile nor does it become deteriorated or worn out in a short time. It is used infrequently and many pieces of luggage last owners a lifetime. Is it not exceedingly strange, therefore, that these defendants who did business in the San Francisco area and on the West Coast could not or did not produce a single one of the luggage cases on which they rely? Instead they merely offered in evidence recently constructed and assembled luggage cases arranged to suit their particular present urgent needs. In the absence of the production of an original luggage case, or a satisfactory explanation as to why one was

not produced, the Court should totally disregard this entire defense and the physical Exhibits K, L and S. From the commencement of this litigation in early July, 1939, to March, 1940, the defendants had ample time in which to find and produce an original case. This was not done. Moreover, the defendants had the opportunity of and refused to produce an alleged original box in their own factory, but instead removed the fixtures from this box and installed them for their own purposes in a newly constructed luggage case box.

We are willing to admit that the Larkin Specialty Company manufactured fixtures for H. Koch & Sons in 1928. It is possible that the fixtures which this company did manufacture were similar to the fixtures installed in Exhibits K, L, and S, but we strenuously deny the fact that these fixtures were originally mounted in the luggage case box in the manner now disclosed in these exhibits. Mr. Maurice Koch and other witnesses for the defendants frankly admitted that luggage cases of the Winship type, employing only a swingable U-frame, were in quite general usage in 1928 and thereabouts. In some instances the arms of these frames were made longer than in the specific Winship showing. It was also a very common practice in those days to mount rods or garment bars in sockets *in the upper end of the cover* of a luggage case. (See patent to Fasel and Garland, No. 1,382,964 (R. Vol. II, p. 558), and testimony of Kantrow R. p. 335.) Our conception of the true arrangement of the early Maurice Koch fixtures in a luggage case is embodied in the illustration opposite page 44. It is our sincere belief that the swing frame was mounted in the cover with the axis rather remote from the hinged connection of the cover, as in the Winship type of luggage case, and it is our further belief that the sockets and removable bar or rod were mounted at the upper end of the cover, just as in the Fasel and Garland



indicating the inadequacy of the device in the form exemplified by the two exhibits. The alleged early inventor, Mr. Koch, was at a loss as to how to satisfactorily explain this situation. The plaintiff knows and its expert, Mr. Roemer, clearly established that this condition was due to the elongation resulting from the mounting of the removable bar independently of the swing frame. In other words, when the frame is swung into the cover there is a decided lengthening in the dimension between the inner bar and the outer bar of the frame, which imposes a severe pull on the inner bar as well as a distortion of the garment or a stretching or rubbing action thereof. From a commercial standpoint this condition is highly objectionable even if steps are taken to prevent the undesired removal of the inner bar. The defendants must recognize this fact because in their present commercial structures they do not follow the teaching of the Koch models in this particular but do in fact mount their removable bars directly *on the inner end of the swing* frame, precisely as is taught by Mr. Shoemaker.

To return to the difficulties of Exhibits K and L, after an evening of thought Mr. Maurice Koch appeared in Court the following day with a newly constructed luggage case having the sockets for the inner bar mounted in a manner reverse from that of the mounting of these sockets in Exhibits K and L (R. p. 329). This reconstruction of the device prevented the removable bar from jumping out of its sockets, but it did not overcome the strain and pull on the garment and the lengthening of the dimension when the fixture was manipulated toward its packed position, as was clearly established during the trial by actual tests and measurements. On page 333 of the Record it appears that the distance between bars changed from eleven inches to approximately thirteen inches, or an elongation of two

inches, which would impose a severe strain on a fragile silk garment.

This particular incident of the alleged inventor in originally assembling fixtures (Exhibits K and L) in an erroneous manner, clearly demonstrates the futility of attempting to predicate proofs of an alleged prior use on oral testimony concerned with the events which transpired many years ago. The alleged inventor himself actually installed the fixtures in Exhibits K and L, or supervised this work. In one of these cases the fixtures were removed from the broken box and immediately put into the newly constructed box. Therefore the inventor, Mr. Koch, and a workman, had this original installation before them to guide them. Nevertheless they admittedly erred. It is logical to believe that additional errors in memory and judgment throughout the twelve-year period from the origin of this prior use fixture to its assembly for use in Court could have taken place.

The proofs in regard to the alleged Koch prior use and public use and sale were all offered through interested parties. For the most part, the proofs are entirely of a parole nature. Of the documentary exhibits it has been demonstrated that the luggage cases (Exhibits K, L, and S) are not necessarily authentic and were admittedly produced recently for the purposes of the trial. We do not question the authenticity of the Larkin Specialty Company records, but these records only establish that this company made certain forms of fixtures for the Kochs in 1928. The Shoemaker patent can only be defeated by prior art showing the same relationship of fixture devices for accomplishing compound folding of garments within the cover of a luggage case. We have demonstrated that the fixtures which Larkin Specialty Company made for the Kochs might very readily, and very plausibly were, mounted in luggage cases in a relationship different from that of the Shoe-

maker patent in suit. Therefore the documentary evidence on this subject has little or no value as at best it only establishes the manufacture of certain forms of fixtures for the Kochs.

In an attempt to bolster this very unsatisfactory evidence the defendants availed themselves of the testimony of several decidedly interested parties. Besides the witness Mr. Maurice P. Koch they had the testimony of Albert Kantrow and William J. Locke. Both of the latter gentlemen are in the business of selling hand luggage and have handled or are handling luggage for H. Koch & Sons. In so doing, it is very possible that they are infringers of the Shoemaker patent in suit and are certainly interested in seeing the Shoemaker patent invalidated.

Excerpts From the Testimony With Relation to the Alleged Early Koch Device, and Others Matters.

Heretofore we have demonstrated the fact that the independent rod or bar disclosed in the exhibits in relation to the early Koch device might very readily have been mounted in the upper end of a luggage case cover free of any association with a swing frame. This was a popular form of commercial arrangement in the early days. Mr. Maurice Koch admitted this fact. He was questioned as to some of the early fixtures which H. Koch & Sons used in luggage and stated that they began to use fixtures in the latter part of 1927. The following testimony is of interest:

“Q. What type of fixture was that if you remember?

“A. Well, that was just a *single roller type put in the lid* of a wardrobe box, single roller hanger with a short elbow, and it was attached to the side walls of the cover, I should judge four or five inches from the free end of the case” (R. p. 291).

This same witness further admitted that a simple frame of the type found in Exhibits K and L was in fact used in wardrobe luggage, without the additional removable bar. The testimony in this regard (R. p. 301) reads:

“Q. Is it not possible that in the earlier days of wardrobe luggage a simple frame of the type you have installed here could have been used in the cover of a case without the additional removable bar?

“A. That’s right.

“Q. Might it not have been mounted higher in the cover of a longer case?

“A. That’s right.”

On page 308 of the Record is a direct admission by Mr. Maurice Koch that his company did in fact sell luggage with fixtures mounted in the manner we contend was the arrangement with respect to the fixtures of Exhibits K and L. The witness stated:

“Well, just prior to this fixture (meaning the fixture of Exhibit K or L) we sold a single rack fixture in the lid of the cover; that is *in the top end*, the upper free end. We sold those shortly after that, too.”

Mr. Kapps, of Larkin Specialty Company, admitted on page 317 of the Record, that the fixtures before the Court did in fact differ from the specifications in the production list, defendants’ Exhibit M. To demonstrate the obvious fact that the witnesses in this defense could not have infallible memories as to what transpired in the early days, we refer again to the testimony of Mr. Kapps, on page 318 of the Record, in which, after he was interrogated as to his recollection in regard to a fixture, he stated:

“I can’t remember what I did fifteen years ago.”

We think that this is a very excellent statement.

Albert Kantrow, a supporting witness called by the defendants, admitted, on page 335 of the Record, that,

“About 1925 and 1926 I was buying cases that had two little rods on the top * * *.”

This again emphasizes our theory that the removable bars in the Koch exhibits might very logically have been arranged independently in the upper end of a luggage case cover. This witness (R. p. 228) definitely referred to the vast number of early Koch luggage cases he presumably sold, with many of the same being sold in the San Francisco territory. He frankly admitted that luggage cases similar to defendants' Exhibits K, L, and S would not sell today. This would seem to be a recognition that the luggage cases as exemplified by the above mentioned exhibits were decidedly different in structure, operation, and advantages from the Shoemaker type of fixtures and that the Shoemaker patent constituted invention thereover.

The Alleged Early Koch Device of Exhibits K, L, and S, Even If Accepted, Does Not Anticipate Shoemaker's Relied Upon Claims.

The relied upon claims of the Shoemaker patent require, among other things, the removable mounting of one or more independent garment hangers or bars, directly on the inner end of the swing frame. This produces a very simple structure and requires a minimum of mounting elements for the fixture relative to the luggage case. More important, however, when the individual hanger bars are carried directly by the frame there is no variation in the distances between the two folding bars when the frame is swung from a horizontal position to a packed vertical position within the cover of the case. This was demonstrated by tests made during the trial. On the other hand, with the devices of Exhibits K, L, and S an admitted elongation of approximately two inches took place. The disadvantages of this elongation have heretofore been dealt with, and of

course the strain which this elongation imposes upon the fixture and the supported garment is so severe as to cause the inner garment bars to jump out of their mountings and hang substantially thereabove unless means are provided to prevent this contingency.

We may further state that there must have been vast differences between the early structures and that covered by the Shoemaker patent in suit or the defendants, and those who sold their products, would not have abandoned those early forms of cases and substituted in lieu thereof the very desirable fixture equipped cases constituting the accused structures of this litigation. In those accused structures the individual garment bars are *carried directly* by the inner ends of the frame arms so as to prevent any objectionable elongation during movements of the fixture.

The relationship of the early Koch devices to the patent in suit and to the accused structures was best expressed by the alleged early inventor, Mr. Maurice P. Koch. On page 334 of the Record, after being questioned with reference to the fixture of Exhibit S in relation to the structures which are the subject of this litigation, the witness distinctly stated:

“It (meaning one of defendants’ accused structures exemplified by plaintiff’s Exhibit 7) is an *entirely different fixture*. It operates differently from this (meaning the fixture of Exhibit S).”

Law on the Quality of Proof and Evidence Required to Establish Prior Use, Prior Inventorship, etc.

With relation to the early Maurice Koch developments whether the same be termed prior public use and sale or prior knowledge and use, or prior inventorship, the tests as to the proofs required are the same. The burden of

proof is on the defendants and the Maurice Koch early developments, with the mounting of the fixtures in a piece of hand luggage in a precise relationship must be proven beyond a reasonable doubt. This is an axiom of Patent Law to which the defendants have paid scant attention. The Shoemaker patent in suit cannot be destroyed on mere conjecture and speculation, or on unsupported testimony of interested parties as to what transpired twelve years ago. The defendants are under the rule that every reasonable doubt should be resolved against them. One of the finest expressions of the law on this subject is found in the famous *Barbed Wire Patent Case* reported in 143 U. S. 275. There, the Supreme Court, on page 284, stated:

“We have now to deal with certain unpatented devices, claimed to be complete anticipations of this patent, the existence and use of which are proven only by oral testimony. In view of the unsatisfactory character of such testimony, arising from the forgetfulness of witnesses, their liability to mistakes, their proneness to recollect things as the party calling them would have them recollect them, aside from the temptation to actual perjury, courts have not only imposed upon defendants the burden of proving such devices, but have required that the proof shall be clear, satisfactory and beyond a reasonable doubt. Witnesses whose memories are prodded by the eagerness of interested parties to elicit testimony favorable to themselves are not usually to be dependent upon for accurate information. The very fact, which courts as well as the public have not failed to recognize, that almost every important patent, from the cotton gin of Whitney to the one under consideration, has been attacked by the testimony of witnesses who imagined they had made similar discoveries long before the patentee had claimed to have invented his device, has tended to throw a certain amount of discredit upon all that class of evidence, and to demand that it be subjected to the closest scrutiny. Indeed, the frequency with which testimony is tortured, or fabricated outright, to build up the defence of a prior use of the thing

patented, goes far to justify the popular impression that the inventor may be treated as the lawful prey of the infringer. The doctrine was laid down by this court in *Coffin vs. Ogden*, 18 Wall. 120, 124, that 'the burden of proof rests upon him,' the defendant, 'and every reasonable doubt should be resolved against him. If the thing were embryotic or inchoate; if it rested in speculation or experiment; if the process pursued for its development had failed to reach the point of consummation, it cannot avail to defeat a patent founded upon a discovery or invention which was completed, while in the other case there was only progress, however near that progress may have approximated to the end in view.' This case was subsequently cited with approval in *Cantrell vs. Wallick*, 117 U. S. 689, 696, and its principle has been repeatedly acted upon in the different circuits. *Hitchcock vs. Tremaine*, 9 Blatchford, 550; *Parham vs. American Button-Hole Machine Co.*, 4 Fisher, 468; *American Bell Telephone Co. vs. Peoples' Telephone Co.*, 22 Fed. Rep. 309."

Not only does this quotation clearly define the requirements in the matter of proofs on alleged unpatented devices but it very clearly and succinctly explains the reasons and logic underlying this established principle. It suggests the possibility of forgetfulness on the part of witnesses, their liability to mistakes, and aside from the temptation to actual perjury, there is the proneness on the part of the witnesses to relate facts which they feel the person calling them will benefit by. These elements are all present in the testimony by which the defendants in the instant litigation seek to establish the Koch developments.

May we also direct attention to the following additional citations:

Paraffine Companies, Inc. vs. McEverlast, Inc., et al, 84 F. (2d) 335, 339, and
Carson vs. American Smelting & Refining Co.,
 4 F. (2d) 463, 468.

In no circuit has this rule been more rigidly enforced than in the 9th. Thus, in the case of *Parker vs. Stebler*, 177 Fed. 210 at 212, this court said:

“It is well settled that the defense of prior use must be established by evidence which proves it beyond a reasonable doubt. The question of novelty is a question of fact. *Turrill vs. Michigan S. R. R. Co.*, 1 Wall. 491, 17 L. Ed. 668. And it has been held that the oral testimony of many witnesses, if unsupported by any evidence consisting of documents or things, must be very reasonable or very strong to establish the defense of prior use. * * * In brief, the courts have recognized the rule that the oral testimony of witnesses speaking from memory only in respect to past transactions and old structures claimed to anticipate a patented device, physical evidence of which is not produced, is very unreliable, and that it must be so clear and satisfactory as to convince the court beyond a reasonable doubt before it will be accepted as establishing anticipation (citing cases).”

See also:

Diamond Patent Co. vs. Carr, 217 Fed. 400.

The attempts to shatter the validity of plaintiff's patent most obviously have not attained

“the same degree of proof as would be necessary if the life or liberty of the patentee himself depended upon the novelty of the invention.”

to use the language of a court in paraphrasing the Supreme Court rule relating to the burden of proof which must be borne by a defendant.

Miscellaneous Prior Art Patents Relied on by the Defendants.

On pages 9 to 14 inclusive *supra* of this brief we have discussed the alleged prior art patents offered in evidence by the defendants. These patents have no anticipating

value. It may further be stated that of the prior art patents offered in evidence by the defendants the following were file wrapper patents:

Boyd et al	No. 1,185,971	(R. Vol. II, p. 533);
Burchess	“ 1,081,014	(R. Vol. II, p. 549);
Fasel and Garland	“ 1,382,964	(R. Vol. II, p. 558);
Steuwer	“ 1,641,704	(R. Vol. II, p. 564); and
Winship	“ 1,728,223	(R. Vol. II, p. 568).

It is a definite fact that all of these file wrapper patents were thoroughly considered by the Examiner during the prosecution of the application for the Shoemaker patent and he found that the claims in the Shoemaker patent defined novel and patentable subject matter over the disclosures in these references. There is nothing in the showing in any of these patents to indicate that the Patent Office Examiner was not correct.

It is also improper for the defendants to assume or allege that the Patent Office Examiner overlooked the other prior art patents in evidence. The Patent Office Examiner had available and undoubtedly searched voluminous files in which are collected patents in this art from all countries of the world. A patent Examiner never burdens an applicant with citations of all of the references included in his files. He merely selects and makes of record the ones he believes to be of most significance in relation to the submitted claims. We believe that the Examiner was convinced that his citations (the file wrapper prior art) were representative and were as pertinent to the Shoemaker claims as any additional prior art he might have selected. It is only necessary to glance through the many miscellaneous prior patents in this record, which were cited by the defendants, to become thoroughly satisfied that these prior patents relate to structures far removed from the novel features of the Shoemaker luggage case.

The Storch Patents.

Throughout the trial in the District Court the defendants urged most strenuously the several Storch patents (R. Vol. II, pp. 539 and 661), contending that in view of the same the Shoemaker patent must be invalidated. It is difficult to follow the reasoning of the defendants in this respect because the several Storch patents *are not in the prior art*, as will hereafter appear, and secondly the structures covered by the Storch patents are so foreign to the combinations covered by the relied upon claims of the Shoemaker patent as to render the Storch patents valueless for any alleged purposes of anticipation.

The application for the Shoemaker patent in suit was filed in the United States on December 24, 1928. This application was predicated on the origin of the invention by Mr. Shoemaker some little time prior to the actual filing date. In presenting his application Mr. Shoemaker made the usual sworn oath containing among other things the statement that,

“He does not know and does not believe that the same (the invention in question) was ever known or used before his invention or discovery thereof.”

This means that insofar as Mr. Shoemaker was concerned, the idea was original with him and there was compliance with Section 4886 of the Revised Statutes (U. S. C., Title 35, Sec. 31).

In relation to the Storch patents the defendants cannot, of course, contend in any way that the subject matter of the same was known or used by others in this country before the Shoemaker discovery. The Storch U. S. patent was applied for May 9, 1929, or substantially five months *after* Mr. Shoemaker filed his application in the United States, and the Storch Austrian patent did not issue and as a result was not a publication until March 25, 1930, or about

a year and a half *after* Mr. Shoemaker filed in the United States, so it is absolutely clear that there was no patenting or describing of the invention in any printed publication in the United States or any foreign country before the Shoemaker discovery, or more than two years prior to Shoemaker's application. There is no evidence that the Storch device was in public use or on sale in *this country* for more than two years prior to Shoemaker's application.

It will thus be seen that under the controlling Statute Mr. Shoemaker was absolutely correct in filing his application and was entitled to make the supporting oath. Nothing in relation to the Storch patents counteracts the requirements of Section 4886 of the Revised Statutes.

Not being able to derive any benefit from the Storch patents in this normal manner, the defendants presented a very unique and untenable theory. In effect they claim that the Storch Austrian patent is for the same invention as his United States patent and, hence, under the International Convention Storch's United States application is entitled to a constructive filing date the same as the date on which his Austrian application was filed, namely September 1, 1928. For this line of reasoning the defendants resort to Section 4887 of the Revised Statutes (U. S. C., Title 35, Sec. 32). The pertinent portion of this section of the Statutes reads as follows:

“An application for patent for an invention or discovery or for a design filed in this country by any person who has previously regularly filed an application for a patent for the same invention, discovery, or design in a foreign country which, by treaty, convention, or law, affords similar privilege to citizens of the United States shall have the same force and effect as the same application would have if filed in this country on the date on which the application for patent for the same invention, discovery, or design was first filed in such foreign country, provided the application in this country is filed with-

in twelve months in cases within the provisions of section forty-eight hundred and eighty-six of the Revised Statutes, and within six months in cases of designs, from the earliest date on which any such foreign application was filed.”

The Court will appreciate, when this portion of Section 4887 is considered in connection with its historical background and in connection with Section 4923 of the Revised Statutes, with the further detailed consideration of the various judicial interpretations of these sections of the Statutes, that Section 4887 is solely for the purpose of granting reciprocal rights to inventors of countries belonging to the International Convention. *These rights are purely personal.* A foreigner, who has filed a patent application in the United States, providing he has fulfilled the requirements of Section 4887, may in a priority contest, get the benefit of his earlier filing date in a country foreign to the United States, *but this right only extends to the foreign applicant in the United States or someone in privity with him.*

How the defendants' position can be asserted in the face of Revised Statute 4923 (U. S. C., Title 35, Sec. 72), is beyond comprehension as Section 4923 is directly controlling in the instant situation. This section of the Statutes reads as follows:

“Whenever it appears that a patentee, at the time of making his application for the patent, believed himself to be the original and first inventor or discoverer of the thing patented, the same shall not be held to be void on account of the invention or discovery, or any part thereof, having been known or used in a foreign country, before his invention or discovery thereof, if it had not been patented or described in a printed publication.”

Let us apply this section of the Statutes (Section 4923) to the Shoemaker invention and United States application

as affected by the Storch patents. Mr. Shoemaker, the patentee, "at the time of making his application for the patent, believed himself to be the original and first inventor or discoverer of the thing patented." This fact is not contradicted and is supported by the oath which was made at the time that the Shoemaker application was filed. The Statute goes on to say that the invention or discovery (Shoemaker's hand luggage) shall not be held to be void on account of the invention or discovery, or any part thereof, having been known or used in a foreign country, before his (Shoemaker's) invention or discovery thereof, *if it had not been patented or described in a printed publication.* Assuming that the Storch development was known or used in Austria before the filing of the Shoemaker application in the United States, this fact is of no consequence because it is established law that prior knowledge or use in a foreign country will not invalidate a United States patent. As stated by the section of the Statutes, the only things which could have affected the validity of the Shoemaker patent would have been prior patenting or description in a printed publication. It is elementary that prior patenting requires the actual grant of a patent—not the filing of an application. A patent application is a secret and confidential matter which is not in any way published to the world at large, and the public derives no benefit from a mere application. The Storch Austrian patent did not issue until March 25, 1930, which was *after* Shoemaker's filing date in the United States, so the Storch development was not patented in a foreign country before Shoemaker's application in the United States. The only publication date which can be relied on is the issue date of the Storch Austrian patent, namely, March 25, 1930, or substantially later than Shoemaker's filing date in the United States.

Sections 4923 and 4887 are parts of the same Patent Act which were both amended March 3, 1897 and subse-

quently. These two Sections were advisedly enacted and amended and there is no conflict as between the two, but Section 4887 is obviously limited, in its application, by the later Section 4923. As before pointed out, Section 4887 can only be for the purpose of affording reciprocal privileges under the International Convention, and the benefits of this Section extend only to the inventor or to those in privity with him. There is no logical reason why third parties, such as these defendants, can claim International Convention reciprocity rights in regard to the Storch developments and get the benefit of Storch's filing date in Austria, for the purpose of excusing their obvious trespass on the validly issued United States patent to Shoemaker. The Storch developments were not *patented* or described in a printed publication before Shoemaker's filing in the United States, and the most that can be said of the Storch developments is that an application was filed in Austria but not issued, a short time before Shoemaker filed in the United States. How could these defendants, or anyone else, derive any benefit from this secret filing of the application in Austria?

There is a strong and established body of law, enunciated by the Courts in this country, dealing with Section 4923 of the Revised States (on which we rely). Reference may here be made to the following:

Ex Parte Grosselin — Commissioner's Decision
1901—97 O. G. 2977.

This case directly holds that Section 4923, which provides that a patent shall not be declared invalid by reason of knowledge or use abroad, in effect authorizes the issue of a patent to the original inventor who first introduces a knowledge of the invention into this country and prohibits the issue of a patent to anyone else. This case furthermore states that the Patent Office in an interference,

“excludes testimony as to what was done by them abroad unless in the form of a patent or printed publication and issued the patent to the original inventor who is shown to have been the first to introduce the invention in this country, although the other party may have been the first to make the invention abroad.”

Westinghouse vs. General Electric — District Court Case 199 Fed. 907—Affirmed by the Court of Appeals for the Second Circuit 207 Fed. 75.

In this case Armstrong was the domestic inventor and De Kando had invented the subject matter in question in a foreign country and had even imparted knowledge of the invention to a person (Waterman) who had brought such knowledge into this country. The District Court interpreted the knowledge of the De Kando development which reached the United States as being a *constructive* reduction to practice but held that this would not defeat Armstrong's patent. The use of the De Kando invention and actual reduction to practice in Italy cannot be considered as the De Kando invention had not been patented or described in a printed publication. The Court said:

“The patent granted to a person here is not void, and is not to be denied to an original inventor here, for the reason merely the invention had been known or used in a foreign country before his invention or discovery thereof.”

The decision of the Court of Appeals accepts in full the District Court's findings and opinion. The Court of Appeals of the Second Circuit affirms the opinion of the Court of Appeals of the District of Columbia, which heard the interference proceeding, and holds,

“That for the purpose of defeating a patent application reduction to practice in a foreign country is a nullity unless the invention is patented or described in a printed publication.” * * * “Reduction

to practice in a foreign country can never operate to destroy a patent applied for here, however widely known such reduction to practice may be, either among foreigners or among persons living here, unless the invention be patented or described in a printed publication. To that extent Section 4923 qualifies the language of Section 4886, which without such qualification might well lead to a different result.”

The *Westinghouse vs. General Electric* case has been followed with approval in a long line of cases including *Minnesota vs. Barnett*, 257 Fed. 303 (312), and was further cited and approved in *Esnault-Pelterie vs. United States*, 27 U. S. P. Q. 272 (292).

The last word on the subject under discussion is found in a very recent Supreme Court decision. This is the case of *The Electric Storage Battery Company vs. Shimadzu*, reported in 41 U. S. P. Q. 155. The facts in this recent Supreme Court decision are not parallel to the facts in the case at bar, but we will mention the same briefly in order that this Court may understand why and how the particular questions concerning Revised Statutes 4886, 4887 and 4923 arose.

The respondent in the Supreme Court and the plaintiff below was a citizen of Japan and conceived and reduced to practice the subject matter of certain inventions in Japan not later than August, 1919. He did not disclose the inventions to anyone in the United States before he applied for his U. S. patents, which were applied for in the United States on January 30, 1922, July 14, 1923, and April 27, 1926, respectively. The inventions were not patented or described in a printed publication in this or any foreign country prior to the filing of the United States applications. The petitioner in the Supreme Court (defendant below), without knowing of Shimadzu's inventions, began the use of a machine, which involved the subject matter of

Shimadzu's patents, in Philadelphia in early 1921. As a defense for its actions of infringement the patentee (defendant below) contended that its knowledge and use of the invention in the United States was prior to Shimadzu's dates of application in the United States and therefore invalidated the latter's patents. The patent owners (respondent in the Supreme Court and plaintiff below) contended that it could avail itself of its development dates and actions in Japan, which were ahead of the defendant's dates in the United States, to establish priority as to his patent rights and to overcome the alleged invalidating effect of the defendant's prior knowledge and use in the United States (which was ahead of Shimadzu's filing dates in the United States.)

Here then we have a situation, unlike that in the instant case, where the patentee in the United States rightfully seeks to avail itself of the benefit of dates and actions in his home country to establish priority rights. The parties seeking to take advantage of the earlier dates in the foreign country *are the patent owners*. The Supreme Court held that this was proper, but the Supreme Court's opinion is of considerable interest in the case at bar because of the thorough discussion of Sections 4886, 4887 and 4923 of the Revised Statutes. The Supreme Court definitely spoke in regard to the interpretation to be given to Section 4923, which we are relying upon, and stated with reference to Section 4886:

“The test is whether the invention was known or used by others in this country before his invention or discovery thereof. * * * The elements which preclude patentability are a patent, or a description in a printed publication in this or any foreign country, which anti-dates the invention or discovery of the applicant.”

With reference to Section 4923 of the Revised Statutes, which we assert controls in the instant situation, the Supreme Court said:

“The effect of this section is that in an interference between two applicants for United States patent, or *in an infringement suit where an alleged infringer relies upon a United States patent*, the application and patent for the domestic invention shall have priority *despite earlier foreign knowledge and use not evidenced by a prior patent or a description in a printed publication.*”

By this very latest enunciation of the law by the highest Court in the land, it is obvious that Section 4923 controls as to the lack of effect of the Storch patents in this litigation. The defendants in the instant litigation cannot avail themselves of the Storch filing date in Austria because Storch's actions in Austria *are not evidenced by a prior patent or a description in a printed publication.* There is nothing that was done by Storch which resulted in any printed publication or patent prior to the date when Mr. Shoemaker made application for patent in the United States.

In the same opinion the Supreme Court furthermore stated:

“Thus, if a diligent domestic inventor applies, in good faith believing himself to be the first inventor, Section 4923 assures him a patent and gives it priority, *despite prior foreign use, even though that use is evidenced by a patent applied for after the invention made in this country.* The foreign applicant or patentee cannot carry the date of his invention back of the date of application in this country, as the holder of a later patent for an invention made here would be permitted to do in order to establish priority.”

From all of the foregoing it must appear, therefore, that the Storch Austrian patent is of no significance whatsoever in this controversy and is no part of the prior art with relation to the Shoemaker patent in suit. These defendants must be restricted to the use of only the Storch

U. S. patent, which has a filing date later than the filing date of the Shoemaker patent and is not any part of the prior art. Section 4923 of the Revised Statutes is absolutely controlling in relation to the point under discussion and various tribunals in the United States, including the Supreme Court, as late as the spring of 1939 have announced that a domestic inventor who applies in this country in good faith, obtains the benefits of Section 4923 of the Revised Statutes, and events in a foreign country prior to the domestic inventor's acts are only of consequence *if the same are identified by a prior patent or printed publication.*

**The Storch Disclosures Are Not Anticipatory
of the Relied Upon Claims of the Shoemaker Patent
in Suit.**

The several Storch patents disclose what might be characterized as monstrosities in the wardrobe luggage art. These patents disclose complicated, impractical contraptions and the operation of the same is very problematical. It is clear that Storch contemplated the utilization of a complex lazy tong structure pivotally mounted at the ends of a pair of supporting arms. There is a vague suggestion in the Storch Austrian patent, without an illustration, to the effect that the insert can be so constructed that it consists of only two or more frames. Courts have repeatedly refused to accept as anticipations vague disclosures in foreign patents. See *Warren Bros. Co. vs. City of Owosso*, 166 Fed. 309; and *Carson vs. American Smelting and Refining Co.*, 4 Fed. (2d) 463.

Fig. 4 of the drawings in the Storch United States patent does not illustrate a two-arm frame connected to the outer ends of the members A'. It is merely a fragmentary view of a structure similar to that in Fig. 3 except for a slightly different mode of mounting the inner ends of the

arms A'. With reference to lines 84 to 96 inclusive on Page 2 of Storch's United States specification it will be found that Fig. 4 is merely an illustration of an arrangement to eliminate an automatic projection feature which was present in the principal form of the invention.

Certain exhibits which were offered in evidence by the defendants, over plaintiff's objections, did violence to the actual showings in the Storch patents. We refer to defendants' Exhibits V and W (physical), as well as the illustration in the chart, defendants' Exhibit U (R. Vol. II, p. 690).

Mr. Locke attempted to testify as to these exhibits for the defendants. Exhibits V and W were not made by Mr. Locke nor had he even seen them before the trial. It was admitted that Mr. Wheeler, one of defendants' counsel, brought these models with him from Milwaukee. The models, as well as the sketch, defendants' Exhibit U, were prepared to meet the exigencies of the case and to illustrate what the defendants wished the Storch patents did disclose. Mr. Locke admitted that he had not studied the Storch patents and that he was unable to understand patents and drawings (R. pp. 356, 357, 358 and 360).

The extension device in the Storch patents could never be folded in the manner claimed by the defendants and disclosed in their sketch and models. The Storch patents provide for a different method of folding garments than is provided for in the Schoemaker patent in suit and the accused structures.

This Court has repeatedly refused to modify or reconstruct references in the light of the disclosures of the patent in suit. Reference is made to *Bankers' Utilities Co. vs. Pacific National Bank*, 18 Fed. (2d) 16; and *Butler vs. Burch Plow Co.*, 23 Fed. (2d) 15.

Some of the preceding discussion will show the basis for certain of the points relied upon by the appellant on

appeal (R. pp. 99-101). See particularly points Nos. 8, 10, and 11 which relate to the admission in evidence of exhibits just previously discussed. There is also ample basis for point No. 9 wherein appellant contends that the District Court erred in admitting in evidence the newly constructed Maurice Koch models, defendants' Exhibits K, L, and S.

Conclusion.

The evidence in these consolidated actions clearly shows that the Shoemaker patent in suit No. 1,878,989 discloses and claims new and useful improvements in the hand luggage art. The charge of infringement against both sets of defendants is amply sustained and was recognized by the District Court. These defendants, coming into the field long after the plaintiff and its licensees had created a substantial demand, are not entitled to invade that field to the damage of the plaintiff.

The District Court erred in accepting and applying the submitted evidence relative to the alleged Maurice P. Koch early development.

It is respectfully urged that this Honorable Court reverse the decree of the District Court, with costs to plaintiff-appellant.

Respectfully submitted,

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No. 9693

IN THE

United States Circuit Court of Appeals

For the Ninth Circuit

THE L. McBRINE COMPANY, LIMITED,
Appellant,

vs.

SOL SILVERMAN AND SAM SILVERMAN,
co-partners doing business under the
name and style of Balkan Trunk &
Suitcase Co.,
Appellees.

THE L. McBRINE COMPANY, LIMITED,
Appellant,

vs.

HERMAN KOCH, doing business under
the name and style of H. Koch &
Sons, and HAROLD M. KOCH, WILLIAM
L. KOCH, and REBECCA KOCH,
Appellees.

(CONSOLIDATED
CASES)

FILED

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PAUL P. O'BRIEN,
CLERK

BRIEF FOR APPELLEES.

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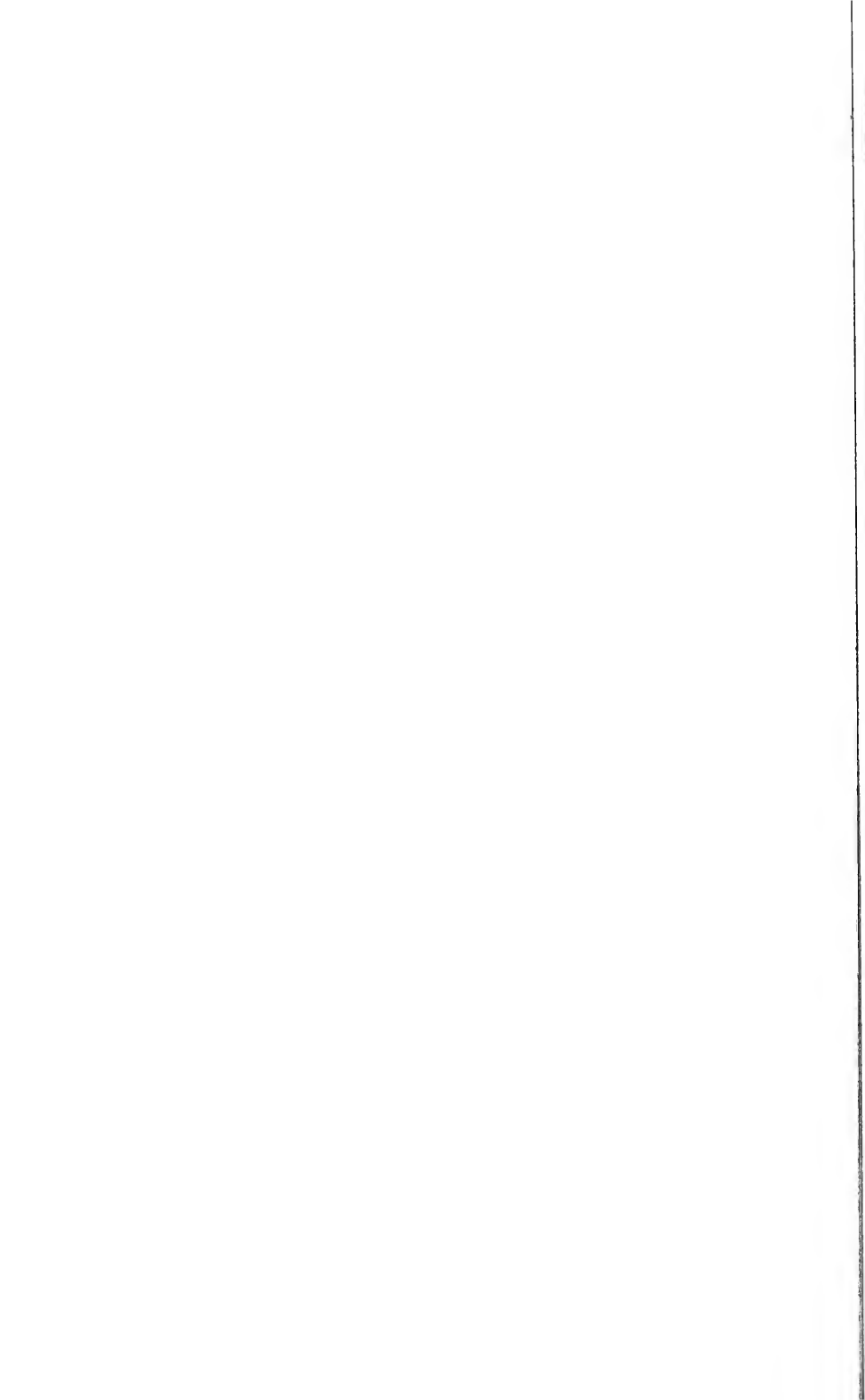
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L. KOCH, and REBECCA KOCH,
Appellees.

(CONSOLIDATED
CASES)

BRIEF FOR APPELLEES.

INTRODUCTION.

The Shoemaker patent involved in this suit is not as complicated as it would appear from plaintiff's

lengthy explanation in its brief. The patent relates to a garment support in a wardrobe suitcase, a very simple mechanical structure. In the patent structure the garment support consists of a draping frame pivoted directly to the hinged side of the cover of the suitcase, so that garments can be draped on the frame and carried in the cover of the suitcase. In each of the accused structures a very ordinary prior art type of draping frame is employed and connected to the lateral side walls of the suitcase cover by means of links, which allow the draping frame to be bodily projected to a loading or unloading position distant from the cover, and then folded upon the links preparatory to being swung to a packed position within the cover.

Three major defenses were relied upon in the lower Court, namely:

1. Invalidity by reason of prior knowledge, use, and sale by Maurice Koch and his associates.
2. Non-infringement, based on the interpretation of the claims and file wrapper estoppel, and
3. Anticipation as to all material features of the accused structures.

Findings 6 and 7 and Conclusion 1, of the lower Court, holding the claims of the patent in suit invalid, are based on the first mentioned defense namely, the "Koch defense". As the evidence in support of the defenses was adduced in open Court, the lower Court had an opportunity to observe the demeanor of the witnesses and the demonstrations made in Court. The

case was tried at length, it was extensively argued both orally and by briefs, the District Court gave extended consideration to the testimony before it, and its decision should be upheld unless clearly demonstrated to be wrong.

STATEMENT OF ISSUES AND SUMMARY OF ARGUMENTS.

The issues and defendants' contentions may be categorically stated as follows:

1. The evidence, including testimony of witnesses adduced at the trial, corroborated by contemporaneous documentary evidence and specimens of the early "Koch" fixtures, established beyond a reasonable doubt that the Koch fixtures as shown in defendants' exhibits K, L, and S, were invented by Maurice Koch in the early part of 1928, were manufactured by Larkin Specialty Manufacturing Company for H. Koch and Sons, about May, 1928, and luggage embodying the fixtures as shown in said exhibits were known and publicly sold in the summer of 1928, long prior to the alleged date of invention of Shoemaker.

2. The change of location of the pivots of the early Koch fixtures from the lateral sides of the suitcase cover to the hinged side, as in the Shoemaker suitcase cover does not involve invention. If the Shoemaker patent claims in issue are interpreted to "fairly read" on the accused structures, then the claims also "fairly read" on the

1928 Koch fixtures and luggage, and are completely anticipated.

3. The claims in issue cannot be "fairly read" upon the accused structures, when the claims are considered in the light of the file history, and in the light of the express terms and limitations of the claims, and also in the light of the file wrapper references, and of the additional prior art proved in this case; therefore defendants do not infringe.

4. The claims in suit are anticipated, at least as to all material features found in the accused structures, by the United States Patent to Lazar Storch, and for this reason the claims of the patent in suit cannot be construed to cover the accused structures without rendering them void for anticipation by the Storch patent.

5. The alleged commercial success of plaintiff and its licensees would not be determinative of any of the real issues in this case. Even if commercial success were of any importance in this case the evidence herein does not show any commercial success of any luggage that may be attributable to anything disclosed by the Shoemaker patent in suit, and sales are rather due to the use of battery of draping bars, such as that shown in the patent to Levine (R. 679).

The foregoing statement of the issues and the position of the defendant with reference thereto, will serve as a summary of our argument. The questions presented by the summary will be taken up in the order stated.

THE "KOCH DEFENSE".

The Shoemaker patent in suit shows a suitcase. In the cover of the suitcase is a garment support member or frame denoted in the patent by the numeral 12. As shown in Figure 1 of the patent this frame is pivoted or hinged to the particular wall of the cover which is hinged to the body of the suitcase, and is referred to in the patent as the "hinged side" of the suitcase cover. The frame 12 is "H" shaped, one side of which is pivoted to the hinged side of the luggage cover and the other side of which is free. A hanger rod denoted by the numeral 30 in the patent is provided for the hinged or pivoted side of the frame 12. In certain forms of the patent this hanger rod 30 is mounted directly on the hinged edge of the garment support frame. In the form shown in Figure 9 of the patent, the hanger rod 30 is mounted in cup-socket 34 and plate 35 on the lateral side walls of the cover adjacent the pivoted or hinged edge of the frame 12.

In operation of the Shoemaker patent the free edge of the frame 12 is swung out of the cover. The garment is folded over the hanger rod 30 and the latter is placed into the sockets at the hinged edge of the frame 12 and then the frame 12 is lifted into the cover, the garment folding over the free edge or folding strip 23 of the frame 12. Shoemaker alleges a date of invention as "November, 1928" (R. 84).

The prior Koch structure, as shown in the defendants' exhibits K, L, and S, has a fixture in which the side members of the garment supporting frame are pivoted on the lateral sides of the suitcase cover

adjacent the hinged side of the cover so that the free end of the frame swings into and out of the suitcase cover. This frame has on its outer or free end a bar which operates as a folding strip. In the Koch structure there are provided a pair of sockets or cups on the lateral sides of the suitcase cover adjacent the pivots of the swinging frame, and in these cups or sockets is removably held a hanger rod. In operation the free end of the support frame is swung out of the cover. Then the garment is folded over the hanger rod, which latter is inserted into the cups adjacent the pivoted or hinged end of the garment-support frame. Then the frame is swung into the suitcase cover and the garment drapes or folds over the free end or folding strip of the early Koch support frame. The Koch fixtures were ordered in May, 1928 and completed and sold in June, 1928.

The time and manner of actual manufacture, assembly and sale of these Koch fixtures and luggage are proved by the evidence in this case beyond a reasonable doubt, as follows:

Maurice Koch Testimony.

Maurice P. Koch told the story of his work on the suitcase naturally and convincingly (R. 290-300). At the time of the trial his father was in a hospital with a serious heart ailment, requiring the use of an oxygen tent (R. 331). The Koch records and the Koch fixtures and remaining suitcases, if any, had been destroyed by fire about 1931 (R. 307-309).

But despite these handicaps, ample corroborating evidence, documentary and physical, was obtained

from the fixture manufacturer and testified to unequivocally by the men who made the fixtures, kept those records, and by a merchant who sold large numbers of the Maurice Koch suitcases.

Early in 1928, Maurice Koch conceived the idea of putting this roller near the hinged side of the cover and associating it with a swinging draping frame. After thinking about it for some time, a model was made, about April, 1928, and discussed with his father and persons at the Larkins Specialty Manufacturing Company (R. 294) to whom an order was given on May 17, 1928 (R. 295) to manufacture the parts. The date of the order is fixed by the work sheet or production list of the Larkins Specialty Company (R. 683). The first order was for 2000, but the order was subsequently raised to 5000, and possibly increased at a later date, but at least 5000 were ordered, made, installed (R. 296) and sold, as shown by this exhibit and the accompanying exhibits, copies of which appear on pages 684 and 685 of the Record.

These fixtures were in two sizes: one for a suitcase 18 inches high, and another for a 21 inch suitcase. Maurice sold these suitcases from Denver west, starting out with samples in the early part of June, 1928. He produced a pair of the original metal parts, installed in a newly made box, Defendants' Exhibit K (R. 296). He also produced a complete fixture taken from an old broken down box, and also installed in a new box, Defendants' Exhibit L. H. Koch & Sons continued to sell this fixture from June 1928 to 1931 or '32, when the plant was destroyed by fire (R. 299-309).

On cross-examination (R. 300) it was brought out that the Winship type of fixture, shown in the above listed Winship patent, was very popular in the latter part of 1927 and 1928. It was therefore perfectly natural that Maurice, the college graduate, would attempt to improve upon the Winship type of fixture, and nothing could be more natural than that he should lower the location in the suitcase cover.

Maurice did exactly what any intelligent person might have been expected to do in the light of the Winship structure and of the very numerous draping frames of the prior art, including those cited in the application file of the patent in suit.

The testimony of Maurice Koch was fully corroborated by record evidence and by the testimony of credible witnesses, whose knowledge of the facts was not of a character to be forgotten or confused by the lapse of time. This testimony will now be briefly reviewed.

Frank Kapps Testimony (R. 310).

Frank Kapps, now superintendent of the Larkins Specialty Company, worked for that company since 1917, and was foreman of the press room of that company in 1928. He saw the Maurice Koch suitcase; worked on the initial order for 2000 fixtures; and attended to their production. The production list, Defendants' Exhibit M, (R. 683), is partly in his own hand writing (R. 311). This production list was part of the company records from 1928 until he produced it for the purposes of this suit (R. 312-316).

He testified to the fact that the order was expanded from 2000 to 5000 sets of fixtures, as indicated on the production list (318).

He not only identified the production list and the order number appearing thereon, "5-17-B," as indicating the date and month of the receipt of the order, but also the entry 7, 7, 28 as indicating the day, the month and the year of its completion. He testified that the date 7, 7, 28 is in his own hand writing, and was placed there to indicate that the order was on that date formally closed on the books of the company.

He also identified the parts of Defendants' Exhibit K as listed in the production list, Defendants' Exhibit M (R. 313).

As to the assembly of these early Koch fixtures in a suitcase Kapps testified (R. 313-314):

"Q. Did you ever see that assembled in any way in a suitcase, or did you ever see it in any sort of a suitcase?

A. Yes, we put it in a temporary assembly.

Q. What was the purpose of that?

A. To test the width; sometimes we have trouble with the width; they don't fit in there after the covering gets around here, and we always test it; we drill holes and test these and see they are fastened to the frame; the cloth on the side.

Q. Was that assembly in the same position as it is assembled on Defendants' Exhibit K before you?

A. Yes, it was.

Q. Exactly the same position?

A. It was."

And again:

Q. "Have you ever seen a fixture in a finished case in commercial form, that fixture?"

A. I have been down to their factory. In fact, I went down there at the time we were fitting this with the estimator to see whether they went in all right, and we made several of those samples" (R. 319).

T. E. Merryfield Testimony (R. 320).

Mr. Merryfield is, and has been ever since the year 1926, the estimator for the Larkins Specialty Company. He testified that he went with Mr. Kapps to see the original Maurice Koch suitcase and for the purpose of preparing an estimate as to the cost of making the fixtures. He identified the fixture in Defendants' Exhibit K as one which was kept in the company office until taken out a week or two before the trial by Maurice Koch and Mr. White, Counsel for the Defendant Koch et al. Mr. Merryfield fitted this fixture to a Koch suitcase in 1928. It was part of his duty as an estimator to do so (R. 321, 322).

He also identified the production list and produced the ledger book of the company (R. 323). He identified the book entries relating to the order "5-17-B", and a photostat of the page so identified appears in evidence as Defendants' Exhibit N (R. 684). Until so produced for the purposes of the trial the ledger had always been in his custody (R. 324).

He also identified order number 5-17-A as relating to the dies for the garment hangers (R. 324).

Mr. Merryfield also produced a book of invoices (copies of invoices) (R. 325). He identified one of these invoices as relating to the order No. 5-17, and testified that it shows that H. Koch & Sons were billed for 2581 long brackets and 2528 short brackets, made for them pursuant to said order. A photostatic copy of the invoice was put in evidence as Defendants' Exhibit O (R. 684).

Albert W. Kantrow Testimony (R. 334).

Mr. Kantrow is a merchant, and retails luggage. He testified that in 1928 he commenced to handle luggage for H. Koch & Sons made like Defendants' Exhibit S. At that time he was moving his place of business from Folsom Street to Beale Street and had this luggage delivered to Beale Street. He bought the luggage in July 1928, and had the order shipped to Beale Street in September (R. 336). He first bought about 150 or 200, and kept buying them right along after that. He never had any complaints as to their successful operation (R. 336). He sold about 100 to 150 per month, and continued to sell until about 1931 or 1932, "sold plenty".

Plaintiff's Criticism of the "Koch Defense" Testimony is Contradicted By the Record.

The entire attack of plaintiff on this testimony is based on speculation of what "might have been", rather than on the facts of the case. Some of plaintiff's statements are even speculations as to reasons for pleading. We shall now point out the falacies in plaintiff's argument contained on pages 39 to 53 of Appellant's brief.

The first argument of plaintiff is that the above discussed evidence, the testimony of Koch, Kapps, Merryfield, and Kantrow, corroborated by fixtures made in 1928, and by original production order, factory ledger book, accounts, and invoices, is not of the character required to prove prior invention knowledge and sale.

In support of its argument plaintiff on page 40 of its brief refers to the pleadings, but plaintiff does not state the facts fairly. The "Koch defense" was pleaded in the answer by all the allegations required by law (R. 21). Plaintiff complains that the interrogatories for further information relative to this defense filed by plaintiff in "January 1940" were answered by defendants only on "March 9, 1940". The truth of the matter is that "plaintiff's further interrogatories" were filed on January 29th, 1940. Defendants in the Koch case filed their interrogatories thereafter on February 7, 1940 (R. 83). Inasmuch as priority dates were involved the Court ordered the exchange of answers to the interrogatories. Plaintiff's answers to defendants' interrogatories were in Canada on February 22, 1940 (R. 85), and naturally reached San Francisco sometime after that date. Therefore to the very end of February, plaintiff was not ready to exchange answers with defendants relative to priority information. At about that time defendant Herman Koch was "under an oxygen tent" on account of "a heart attack" (R. 331) and counsel for defendants in the Koch case offered to counsel for plaintiff to either obtain a verification of the an-

swer to the interrogatories from Mr. Maurice Koch (who is not a defendant in this case) or to have defendants' counsel verify it. It took a few days before plaintiff agreed to accept verification by the attorney (R. 77). These answers were then exchanged and plaintiff's counsel received the answer to the interrogatories, not on "March 9, 1940", asserted in plaintiff's brief, but on March 6, 1940 (R. 77). In addition to the photograph of the Koch luggage case and fixtures, defendants also furnished photo-copies of the production list, ledger sheet, and invoice, now in evidence (R. 80-81). We submit that from the true history of these answers to the interrogatories no such conclusion can be drawn as that of plaintiff. All the priority evidence was in existence as shown by the unimpeached testimony of four witnesses, and could have been furnished sooner, had plaintiff asked for it sooner.

Plaintiff also consistently misconstrues the testimony of Mr. Koch. He definitely testified that only the wooden parts were made for the trial, all the metal fixture parts were original fixtures made by the Larkin Specialty Manufacturing Company in 1928 (R. 296). This is amply corroborated by Kapps and Merryfield.

The next objection plaintiff raises is that Koch did not produce the "old box" in which the fixtures of Exhibit L were found. In this case defendants concentrated their proof on the fixtures that were all these years since 1928 in the possession and under the control of the Larkin Specialty Manufacturing Com-

pany and their employees. In concentrating scrupulously on evidence which never left the possession of the manufacturers until the preparation for this trial (R. 321-322), defendants conclusively proved both the time of manufacture of the fixtures and the manner of assembly by disinterested witnesses, Kapps and Merryfield, without the necessity of further cumulative evidence. It is evident that if the defendants were dishonest, as plaintiff insinuates, it would have been easy to install all the fixtures in some "smashed boxes". The mere fact that defendants did not bring in an old box does not impeach the straightforward testimony of four witnesses corroborated by contemporaneous physical and documentary evidence. It is strange that plaintiff raises such criticism, although plaintiff did not produce a single early suitcase made according to the structure shown in the Shoemaker patent. Instead plaintiff resorts to some very recent Hartman wardrobe suitcases (plaintiff's Exhibits 5 and 6) which do not resemble at all the structure Shoemaker described in his patent.

On pages 43 to 44 of Appellant's brief plaintiff speculates about the reasons for the relatively short arms of the early Koch fixture. As it was explained by Koch, the arms of the frame in the early Koch fixtures were long enough. These arms are about $12\frac{1}{2}$ inches, which accommodate in the cover a dress over 50 inches long, which is still longer than the average woman's dress was in 1928 (R. 302). The arms of the fixture in Plaintiff's Exhibit 6, plaintiff's licensee's "Sky-Robe" case, are collapsible to $11\frac{1}{2}$ inches, even

shorter than the arms of the 1928 Koch fixture. This same Exhibit 6, has in it a 58-inch sheet, which bears the legend that "This 58-inch represents a length considerably longer than the average woman's dress". Plaintiff should believe the instructions of its own licensees. The Koch fixture was long enough and disproves the first premise for the theoretical arrangement of plaintiff opposite page 44 of its brief. As plaintiff admits, any luggage manufacturer would immediately recognize the desirability of accommodating garments of maximum length. Therefore it was logical for Koch in 1928, to use the fixture in the manner shown by the evidence for folding the garment four-fold. No luggage manufacturer would use an impractical, loose swing frame as "imagined" by plaintiff opposite page 44 of its brief. The theoretical arrangement plaintiff suggests in its brief lacks utility.

The other speculative position "imagined" by plaintiff is the mounting of the cups for the Koch hanger rod in the top of the suitcase cover. Plaintiff draws inspiration for this arrangement from the prior patent of Fasel and Garland (R. 558). Plaintiff in this speculation again disregards the physical facts of the case. The cup brackets, defendants' Exhibit R, are plain cylindrical cups. The opening on the sides of these cup brackets is larger than the ferrules on the ends of the hanger rods, as manufactured by Lar-kins Manufacturing Company in 1928. Therefore the hanger rod would not stay in the cups if placed in it as shown in the hypothetical position on page 44 of

Appellant's brief. If the suitcase was turned or moved around the hanger rod would fall out of the cup brackets if mounted in the hypothetical position asserted by plaintiff. Plaintiff in comparing this condition with the Fasel et al patent entirely disregards the teaching of the Fasel patent (R. 562, lines 43-57) which provides for "spring tongues" to clamp the hanger rod into the *fixed* Fasel brackets. Neither the production list, nor the testimony of the mechanics Kapps and Merryfield, nor any part of the record suggests such a location and assembly for the parts of the Koch fixture as shown by plaintiff on page 44 of its brief. On the contrary in the 1928 Koch fixture, the pivoted ends of the arms are bent inwardly so as to overly the openings of the cup-brackets and hold the hanger rod in position. The design and construction of the early Koch fixture contradicts completely the speculation and theories of plaintiff about the assembly of the Koch fixture in the suitcase.

Then plaintiff on pages 45-46 of its brief argues about the reasons for the mistaken reversal of the cup-brackets in exhibits K and L. The cup-brackets are small structural parts, more or less hidden from view. The location of these cups is the same in all the exhibits, except that in Exhibit S, the openings of the cups are turned toward the cover.

In demonstrating Defendants' Exhibits K and L, in open Court it was found that the hanger rods or rollers tended to pull out of their metal fastenings. Mr. Koch was evidently surprised and confused when this was called to his attention. But after he left the

stand he found that the workman who had been entrusted to put the metal cups in place had reversed them. These metal cups are cut away and are intended to be assembled so that the higher side is toward the front. Reversal of the cups brought the lower walls of these openings to the upper and front side and allowed the rod to lift out under tension of the clothing. Mr. Koch had another case made with the cups properly installed, and was recalled to again demonstrate the working of his fixture and explain his mistake.

This error in assembling Defendants' Exhibits K and M,—instead of discrediting Mr. Koch,—gave to the Trial Court an excellent opportunity to judge of his credibility. A dishonest witness would have broken down under such conditions, whereas, although Mr. Koch was evidently surprised when the hanger rod slipped out of place and while under such surprise was lost to satisfactorily explain the reason, his frankness was apparent and his honesty was established in the mind of the Trial Court by his demeanor on the witness stand under such trying circumstances.

Incidents of this character always give to the Trial Court the best possible opportunity to judge of the credibility of a witness. An honest witness, when taken by surprise, does not try to conceal his confusion, whereas a dishonest witness tries to escape by falsification, and his demeanor leaves no doubt as to his dishonesty.

No one who saw Mr. Koch when he gave his testimony, could have any doubt as to his honesty.

The excerpts from the testimony quoted on pages 47-49 of plaintiff's brief are fragmental and do not fairly represent the testimony of the respective witnesses. The quoted Koch testimony on page 47 of Appellant's brief refers to the 1927 Winship cases (R. 291) and does not refer to the 1928 Koch suitcases and fixtures. The quotations on page 48 of plaintiff's brief again refer expressly to the Winship type case and not to the 1928 Koch suitcases and fixtures. Koch expressly testified as follows:

“Q. Did you sell, or, to your knowledge, did H. Koch & Sons ever manufacture any luggage with that fixture installed into any other part than in the cover of the luggage as shown in Defendants' Exhibit K?

A. You mean did we use this fixture in any other part of this type of luggage?

Q. Yes.

A. No, just in the lid of the cover, just as you see it there.

Q. Did you ever install it in any other way than shown in Exhibit K, in any other manner?

A. No, the hanger couldn't be used any other way” (R. 299).

The criticism of the Kapps' testimony as to difference from the specification of the production list is misleading because Kapps' testimony was that “as far as the operation goes” they follow the production list, but the material used may be thicker or wider, according to what can be purchased (R. 317).

When plaintiff quotes one sentence of the Kapps' testimony on page 48 of its brief, plaintiff does not

fairly present the meaning of that sentence when considered in the light of the entire testimony. For instance the part quoted by plaintiff from Kapps' testimony on page 48 of its brief is part of the following testimony (R. 318-319):

“Mr. Morsell. Q. As to seeing this fixture assembled in a cover, you are testifying merely from memory, are you not?

A. So far as seeing it in a cover?

Q. Yes.

A. I am only testifying from this date that is on here. I couldn't testify any other way. I couldn't remember what I did fifteen years ago.

Q. I mean your recollection of having seen it assembled in a cover.

A. It is purely from this date that we manufactured—I mean we did the model work on all of them and we had one of these covers up there, and we worked on it at the time.

Q. You are just recalling from recollection that you did see that assembly in that cover?

A. I did see it in there, yes.

Q. Through the years since then you have seen other fixtures installed in other cases, I presume?

A. Yes, three or four that they developed since then.

Q. Have you ever seen a fixture in a finished case in commercial form, that fixture?

A. I have been down to their factory. In fact, I went down there at the time we were fitting this with the estimator to see whether they went in all right, and we made several of those samples.”

Plaintiff even resorts to quoting only a half of a sentence of Kantrow's testimony. Plaintiff "to emphasize" its "theory that the removable bars in the Koch exhibits might very logically have been independently in the upper end of the luggage" quotes a fragment of Kantrow's testimony on page 49 of its brief, thus: "About 1925 and 1926 I was buying cases that had two little rods on the top * * *." However if this sentence and his testimony is completed it reads, thus:

"A. Well, about 1925 and 1926 I was buying cases that had two little rods on the top, and then Mr. Koch came out and showed this case, there, to me.

Q. Pointing at Defendants' Exhibit S. Could you approximately fix the date when you first purchased the kind that is in Defendants' Exhibit S?

A. I couldn't say the exact day, but I know it was the month of July, but I couldn't say the date exactly.

Q. You couldn't tell the year?

A. Yes, 1928" (R. 335).

This analysis of plaintiff's argument as to the prior art testimony clearly shows that plaintiff's conclusions and theories are based on erroneous premises.

The Prior Koch Luggage Fixture Anticipates the Shoemaker Claims.

Plaintiff argues on pages 49 and 50 of its brief that the prior Koch fixtures shown in Defendants' Exhibits K, L, and S do not anticipate the claims

of the Shoemaker patent. The main difference between the early Koch garment support and that shown in the Shoemaker patent is that the frame of the Shoemaker patent is pivoted directly on the "hinged side" of the luggage cover, while the Koch fixture is pivoted on the lateral sides of the cover, adjacent the hinged side thereof. Inasmuch as plaintiff insists upon a construction of the claims to include draping frames pivoted to the lateral sides of the cover, therefore the Koch structure is a complete anticipation of the Shoemaker patent claims in suit. The mere change of location of the pivot of the frame to the hinged side as in the Shoemaker patent does not amount to invention.

Plaintiff argues however that the Shoemaker claims define a structure wherein the hanger rods or bars are mounted on the "inner end" of the draping frame. It is characteristic of plaintiff's argument throughout the brief that plaintiff nowhere analyzes the language of the claims in suit. For instance claim 27 in the last clause recites:

"a garment supporting means in said cover adjacent the first mentioned side of said member."

The "garment supporting means" recited in the claim is admittedly the hanger rod 30 of the patent as shown in Figure 9 of the Shoemaker patent, and is adjacent the hinged side of the supporting member or frame, but not "carried on" it. Therefore plaintiff on the one hand insists upon a broad construction of the claims to include all the embodiments

of the Shoemaker patent within the scope of the claims, and on the other hand plaintiff would like to exclude the prior Koch fixtures as anticipations because the Koch fixtures are assembled similarly to Figure 9 of the Shoemaker patent, and not as in Figure 1 of the Shoemaker patent. This inconsistency of plaintiff demonstrates further the weakness of plaintiff's entire argument.

The fallacy of plaintiff's argument is further demonstrated, when plaintiff reasons that the position of the Koch hanger rod causes elongation and strain on the garment. The effect of this action is described by Koch as beneficial, he stated:

“There may be a stretching of the garment to keep it wrinkle proof” (R. 333).

Plaintiff's expert thought that the same action may be injurious (R. 412). However when plaintiff's expert demonstrated “the Shoemaker patent” with Plaintiff's Exhibit 6 (R. 414), then it was found that relative to the lowest hanger bar in Plaintiff's Exhibit 6, there was also an elongation of about $1\frac{1}{4}$ inches (R. 414-418), and this bottom rod in operation is held in place by the other rods in the bracket. Evidently plaintiff's licensee does not agree with plaintiff's expert and with plaintiff's argument as to any disadvantages of the hanger rod position shown in the Koch fixtures, because plaintiff's licensee manufactures luggage with hanger rods in substantially the same relation to the pivot of the frame as the early Koch structure (Plaintiff's Exhibit 6, R. 414-

418). It would not involve invention to transfer the early Koch hanger rod from its position shown in Exhibit S to the hinged end of the frame.

The Koch testimony quoted by plaintiff on page 50 of its brief refers to the fact that the accused Koch structure is a modern fixture and differs from both the early Koch fixture and from the Shoemaker patent. This difference of the accused structures from the Shoemaker claims will be hereinafter argued in connection with the issue of infringement.

So far as the comparison of the early Koch structure with the Shoemaker patent is concerned, the evidence shows that the minor structural differences between the Shoemaker patent structure and the prior Koch fixtures do not rise to the dignity of invention, and the Shoemaker claims do not define anything patentable over the prior Koch fixtures.

The Evidence of Koch Priority Satisfies the Law On the Quality of Proof.

The fact situation of this case distinguishes from the fact situation of the *Barbed Wire Patent* case, and from the quotations on pages 52 and 53 of Appellant's brief, in that in this case in addition to the oral testimony of reputable disinterested witnesses, there are contemporaneous physical and documentary exhibits from which the dates and nature of the prior structure can be ascertained. As we heretofore pointed out three out of the four witnesses are disinterested. Koch is the son of one of the defendants, but Kapps and Merryfield are employees of the Lar-

kins Specialty Manufacturing Company, and are not even remotely interested in the outcome of this litigation. Kantrow is a dealer in luggage and is not affected in any different way than thousands of other luggage dealers all over the United States would be. The physical exhibits include the original metal fixtures manufactured in 1928, the original 1928 production list (Defendants' Exhibit M), the books and records of the Larkins Specialty Manufacturing Company (Defendants' Exhibits N, O, P). All these physical exhibits and documents were positively identified both as to date and nature of article, by the men who were in charge of the same since 1928. The evidence here establishes both the date and the nature of the prior Koch structure beyond a reasonable doubt.

The rule stated by this Court in the case of *Rown v. Brake Testing Equipment Company* (C. C. A. 9), 38 Fed. (2d) 220, 224, is fully applicable to this case:

“To reject such testimony taken as a whole, or to decline to believe it, would in effect, be to nullify the provision of the statute, by exacting an impossible standard of evidence. The testimony is not contradicted, is not inherently improbable, and would, we think, be accepted as satisfactory and convincing, if not wholly conclusive, in any other kind of case, criminal or civil.”

The decision of this Court in *Waterloo Register Company v. Atherton*, 38 F. (2d) 75 (C. C. A. 9) is also in point:

“The rule is well settled, of course, that a defense of this kind must be proved with certainty and beyond reasonable doubt; but whether the proof measures up to that requirement, or not, is ordinarily for the trial court to determine. An appellate court cannot interfere, unless it can be said as a matter of law that the testimony is legally insufficient to establish the defense with the requisite degree of certainty.”

“The prior public use in this case was testified to by four witnesses, three of whom were without interest in the result. Three of the witnesses fixed the date of the prior use by reference to dates contained in deeds to which they were parties, and the fourth was certain as to the date, but was unable to fix it by reference to any writing” * * * “Under such facts, it is not at all surprising that the court below reached the conclusion embodied in its decree.”

The rules are similarly stated in the case of the *Parraffine Companies v. McKeeverlast, Inc.* (C. C. A. 9), 84 Fed. (2d) 335 at 339, and in *Becker v. Electric Service Supplies Co.*, 98 Fed. (2d) 366, at 368.

We also rely on Rule 52 of Federal Rules of Civil Procedure that “Findings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial Court to judge of the credibility of witnesses.” We submit that findings 6 and 7 and conclusion 1 of the District Court in this case should not be set aside, and should be affirmed.

NON-INFRINGEMENT.

Under this heading we will discuss the scope of the alleged Shoemaker invention, and will point out that the claims in suit if properly interpreted do not read on defendants' accused luggage, even if the claims were held valid.

A suitcase is a box with a hinged cover. For many years suitcases had contained draping frames upon which to fold or wind garments to prevent them from wrinkling.

Shoemaker, the patentee of the patent in suit, fixed the date of his conception in November 1928.

The limited character of his contribution is made evident by a consideration of the immediately precedent art, viz:—

Langmuir Patent (Figures 2 and 4) (R. 653),
Application June 11, 1927.

Suitcase similar to a wardrobe trunk, with primary draping hanger 4 near top cover hinge and secondary draping frame 11 pivoted at bottom of chamber to swing upwardly for secondary draping, giving garment a three-ply fold.

Winship Patent (Figure 1) (R. 569),
Application August 16, 1927.

Draping frame pivoted to side margins of cover and provided with removable draping hanger bar 21. This frame folds upwardly.

Pownall Patent (Figure 1) (R. 667),
Application January 21, 1928.

Draping frame in three sections 8, 9 and 10. Section 8 folds downwardly, Section 9 lies adja-

cent the hinged side of cover, and Section 10 pivots on Section 9 to swing out over body for draping purposes. It has a battery of removable hanger bars 23.

Laprade Patent (Figure 1) (R. 657),
Application April 28, 1928.

Clothes supporting partition 10 pivoted at cover hinge, and provided with a removable clothes hanger 16. Co-operating straps 22 and 23 are used to hold the partition and the garments in place.

Note: At this stage Defendant Koch produced his anticipating suitcase, Defendants' Exhibit S, and established a business which continued for several years, until the plant burned.

Storch Patent (R. 662),
Application (in Austria) September 1, 1928
and in the United States May 9, 1929.

Links A-A' pivoted to cover near hinge to connect a draping frame pivoted to the other ends of the links and bodily projectible from cover to loading position. This frame is swung in either direction for a winding operation, to secondarily drape the clothing, and then carried by the links into the cover.

Wheary Patent (Figure 3) (R. 578),
Application April 22, 1929.

(Priority over Shoemaker decreed).

Draping frame 29 hinged to body brackets 31 near cover hinge and swinging into and out of cover.

Hamlin Patent (Figure 5) (R. 675),

Application November 15, 1928.

Draping frame with primary hangers 17 and 18 near hinged side of cover. Suspended by hooks 28 from near free side of cover, and provided with a secondary draping bar 21 near free side of cover.

Additional prior art patents show loose garment draping frames which are for the same purpose as the Shoemaker garment supporting frame 12, and function the same way. Such draping frames of the prior art are shown in the patent to Hopkins (R. 611), the British patent to Schwarzenberger (R. 531), and the British patent to Duverge (R. 535). The Shoemaker patent admits at page 2, lines 77 to 86 (R. 463) that loose draping frames rested against the inner face of the hinged side of the cover would constitute practically the same action as when the frame was hingedly connected to the hinged side of the cover.

All of the foregoing is prior art, and the patent in suit merely contributed the idea of pivoting the draping frame *directly* to the hinged side of the cover, instead of *linking* it to the side walls so that it could project bodily.

Whether the claims in issue fairly cover the accused structure depends upon the meaning of the phrase "hinged side of the cover". This can be determined by reference to the file wrapper history and to Shoemaker's own depositions.

ARGUMENT RE FILE HISTORY.

The patentee, E. J. Shoemaker, entered the Patent Office with eleven claims (R. 482). Claim 7 was the only one which specified the clothes support as "hingedly connected to the hinged side of the cover", and this was the only claim indicated as allowable on the first action (R. 486).

The original claims 1, 2, 3, 4, 8, 9, 10 and 11 each called for a connection of the fixture "relative" to the hinged side of the cover, and all of these claims were rejected upon the patent to Boyd (R. 553). Claims 5 and 6 were also rejected as functional.

To avoid the Official Rejection, the applicant amended all of these claims to definitely limit them to a mounting of his fixture on the hinged side of the cover and added claim 12 (R. 492) which read as follows:

"12. Luggage comprising a body portion, a cover hingedly carried by said body portion, a supporting member adapted to be carried therein, the *end* of said member adapted to *rest against the hinged side* of the cover, being provided with a removable hanger rod, on which garments may be folded and the opposite end of said member adapted to act as a folding edge when the said supporting member is moved to packed position in said cover." (Italics ours).

If there were any doubt as to what the patentee meant by the expression "hinged side of the cover", the above quoted original claim 12 should dispel that doubt.

In the specification, page 2, lines 77 to 86, inc., the description of Figure 10 reads as follows:

“In Fig. 10, the hinging or pivoting of the end of the base portion of the supporting member 12 is done away with, but in packing luggage this end is rested against the *inner face of the hinged side of the cover* and the folding strip pivoted to position, which constitutes practically a similar action as would take place if the base portion was hingedly connected to the hinged side of the cover portion.” (Italics ours).

Also from page 3 of the specification, commencing with line 98 (R. 464), we quote:

“Referring to Figure 9, I provide a supporting member which may be pivotally or hingedly mounted relative to the *inner face of the hinged side* of the cover portion. In this construction the roller is removably mounted *adjacent* the *hinged side* of the cover portion and in co-acting relative position to the base portion of the supporting member 12.” (Italics ours).

If plaintiff's expert is correct in saying that the “hinged side” means hinged half of the cover, then the roller or hanger bar 30 must be *outside* of that half of the cover, for it can hardly be said to be adjacent to it if it is in it.

SHOEMAKER DEPOSITION.

Shoemaker, patentee of the patent in suit, testified as follows (R. 143-145):

“Q. Did it make any difference whether the fixture, as you call it, is pivoted or is to be pivoted to the hinged wall of the cover or to the side-walls?

A. For purposes of construction we favored the hinged side as being more practical.

Q. Why was it more practical?

A. Because it was more adaptable to different constructions of luggage cases.

Q. Clothing less likely to catch?

A. No. The construction I refer to was the matter of the box, the foundation of the case itself, and how it was adapted to have a fixture fastened to it.

Q. Explain that a little further, as to just why you chose the hinged side of the cover?

A. Well, the base could be made of a material like wood and the rest might be soft leather.

Q. You mean the base of the cover?

A. I mean—yes, the hinged side of the cover.

Q. You refer to the hinged side of the cover as the base?

A. Yes.”

In the same deposition (R. 120), Mr. Shoemaker was asked on direct examination:

“Q. Where is that rod 30 located?

A. Which is located near the hinged side or base portion of the cover.

Q. Is it also located near the hinged side of the supporting member 12?

A. Yes, at near the hinged side of the supporting member 12.”

This was before Plaintiff’s “expert” witness developed the beautiful theory that the expression “hinged side” means “hinged half”.

But it was not before Plaintiff developed the other beautiful theory that "pivoted to" means "located near".

In view of the foregoing, it will be apparent from the file history, the specification and claims of the patent in suit, and from the Shoemaker deposition—that the expression "hinged side of the cover" and the expression "inner face of the hinged side of the cover" were, and are, used to specifically define the particular wall of the cover to which the body hinges are attached.

When Shoemaker cancelled the word "relative" from his claims without substituting any other word indicating adjacency, he intended to abandon, and did abandon, all effort to monopolize anything other than a direct connection of his fixture to that particular wall of the cover. He is estopped to now assert any broader interpretation for his claims.

THE INTERFERENCES.

There were three interferences. In each, judgment of priority was rendered against Shoemaker. The interference counts are printed in the Record on pages 495, 496, and 497, respectively. They also appear as claims 8, 9 and 16 in the patent granted to Wheary et al., the prevailing party (R. 576). They originated in the Wheary application. The first one reads as follows:

"In the case type luggage carrier including a main section member and a cover member hingedly

connected to one marginal edge thereof, a garment carrying frame, means hingedly mounting the garment carrying frame for movement independently of the cover member to lie over the main section member and for movement substantially parallel with that of the cover member, and means whereby the point of pivot of the garment carrying frame is disposed within the cover member when the garment carrying frame and the cover member are closed over the main section."

In the Wheary drawing the clothes support is pivotally mounted *adjacent*—but not on—the hinged side of the cover.

After the adverse judgment of priority the Primary Examiner again rejected all of the applicant's claims not specifically limited to a mounting of the clothes support on the hinged side of the cover. In this action, the Examiner not only cited the adverse interference decision, but also cited prior patents to Fasel, et al. (R. 558), Steuwer (R. 564), and Winship (R. 568).

Thereupon the remarkable part of the application history commences. Several personal interviews occurred between the attorneys for Shoemaker and the Official Examiner (R. 508, R. 510), whereupon the patent in suit finally emerged with 28 claims, including the ten claims in issue. All of these claims ring the changes on other details, *but each retains the specific limitation which the Examiner had from the first insisted upon,—the pivotal mounting of the clothes support on one side of the cover, viz.—the hinged*

side,—as distinguished from the Koch, the Storch, the Wheary and the accused structures, each of which disclosed an *adjacent* mounting.

Of the ten claims in issue, claims 4, 8, 11 and 19 point out and distinctly claim a clothes support, hingedly “*connected to*” the hinged side of the cover.

Claims 10 and 24 each substitute “*carried by*” for “*connected to*”.

Claim 12 substitutes “*supported on*” for “*connected to*”.

Claim 23 substitutes “*mounted * * * on*” for “*connected to*”.

Claims 26 and 27 each specify the clothes support as having one side “*hingedly connected to one side of said cover and the other side adapted to swing to a position adjacent the other side of said cover*”. (Italics, of course, ours).

These claims 26 and 27 are meaningless if the word “*side*” does not mean one marginal wall.



CONTROLLING AUTHORITY AS TO THE FILE HISTORY.

From the foregoing it will be apparent that the file wrapper and contents of the patent in suit (Defendants’ Exhibit A) discloses a history remarkably similar to that of the Jardine patent, passed upon by the Supreme Court in *Schriber-Shroth Co. v. Cleveland Trust Company*, 61 Sup. Ct. Rep. 234, 47 U. S. P. Q. 345.

This decision is controlling as to file wrapper estoppel.

In both histories a feature originally claimed was disclaimed by cancellation; in both there was an interference, and judgment of priority against the applicant, followed by a complete revision of claims; in both, the substitute claims included minor details, not mentioned in the cancelled claims; in both there was an attempt by the assignee of the patent to obtain a Court interpretation of the claims which would give them the meaning of the cancelled claims; and in both a Lower Court had adopted the interpretation contended for by the Patent owner and found the claim to fairly cover the Defendant's structure.

In the *Scriber-Shroth Co.* case the Supreme Court reversed the Court of Appeals for the 6th Circuit, and we quote the following, commencing with the last paragraph on page 239 of the Supreme Court Reporter:

“It is a rule of patent construction consistently observed that a claim in a patent as allowed must be read and interpreted with reference to claims that have been cancelled or rejected and the claims allowed cannot by construction be read to cover what was eliminated from the patent.” (Citing authorities.)

“The patentee may not by resort to the doctrine of equivalents give to an allowed claim a scope which it might have had without the amendments, the cancellation of which amounts to a disclaimer.” (Authorities.)

“The injurious consequences to the public and to inventors and patent applicants if patentees were thus permitted to revive cancelled or rejected claims and restore them to their patents are manifest.” (Authority.)

PLAINTIFF'S EXPERT.

No professional expert was required to explain the simple structures involved, and the Defendants called no such expert. The only apparent reason why the Plaintiff called an expert was the Plaintiff's desire to interpret the claims to suit its own purposes and give them a meaning corresponding to that of Shoemaker's original claims, which were rejected and cancelled in the face of prior art and an adverse decision in an interference proceeding.

In Webster's New International Dictionary, Second Edition, p. 2330, precedence is given to the following definition of the word “side”:

“I. A border of an object.

* * * * *

4. * * * b. One of the surfaces that define or limit a solid, esp. one of the longer surfaces; a part as a wall of a room) connecting the extremities of the top and bottom; a face; as *the side of box*, a plank * * *”

In Webster's International Dictionary (copyrighted 1927), precedence is given to the following definition of the word “side”:

“the margin, edge, verge, or boundary of a surface”.

We have already quoted the patent in suit, original claim 12, and claims 26 and 27 to show unequivocally that the word "side" has the meaning given to it by the above quoted dictionary definition.

Nevertheless, under the guise of "testimony" the argument was made that the expression "hinged side of the cover" means the entire half of the cover nearest the hinges which connect the cover and body (R. 252), and that the links pivoted to the side walls of the cover in the accused structure, and which connect these walls with the projectible clothes draping frame, can be regarded as clothes supports for the purpose of making out a case of infringement, notwithstanding the fact that the clothes are first supported by the draping frame at a point distant from the cover and then carried into the cover by a somersault movement, aided by the links.

When Shoemaker cancelled the interference claims and allowed priority to be awarded to Wheary, he became estopped to assert as his invention a clothes draping frame pivoted in a suitcase *adjacent* the cover hinge.

Chester & Weaver, Inc. v. American Chain Co. Inc., 9 F. (2d) 369 (C. C. A. 9).

When words of limitation represent a thought essential to that which the inventor regarded as his new step, their limiting effect cannot be neutralized by invoking the rule of equivalents.

Arnold Creager v. Bartville Brick Co. et al., 246 Fed. 441 (C. C. A. 6).

Courts have no right to rewrite claims and thus enlarge them beyond the scope of what the inventor claimed and the Patent Office allowed.

Reinharts, Inc. v. Caterpillar Tractor Co., 31 U. S. P. Q. 264, p. 273 (C. C. A. 9).

“The Courts have no right to enlarge a patent beyond the scope of its claims as allowed by the Patent Office. As patents are procured *ex parte*, the public is not bound by them but the patentees are, and the latter cannot show that their invention is broader than the terms of their claim. If broader, they must be held to have surrendered the surplus to the public.”

Minerals Separation Ltd. v. Butte Superior Copper Co., 250 U. S. 336.

CLOTHES SUPPORTING MEMBER.

It is significant that on R. 276-277 the Plaintiff's expert adopts a different definition of the term “Clothes Supporting Member” from that used in his discussion of this clothes supporting member on Defendants' structure.

On R. 276-277-278, the witness admits that the pivot pin 22 in Fig. 7 of the Shoemaker patent “is not near the hinged side of the cover”. In the lower portion of page 277 he defines the garment supporting member as the H-shaped assembly and says it is connected to the cover through what he terms the auxiliary arms 21. At the top of the next page he says that *consequently* it is proper to say that the garment supporting

member is pivoted *relatively* to the hinged side of the cover. Near the bottom of the same page, he declines to commit himself as to whether he regards Fig. 7 of the Shoemaker patent as being within the scope of the claims.

It is to be noted that in this testimony Plaintiff's expert regards the H-shaped frame as the clothes supporting member and the link bars 21 as "auxiliary arms", whereas when seeking to make out a case of infringement against the Defendants, on R. 220-221, he says that the link bars employed by the Defendants are the clothes supporting member and the frame upon which the clothing is primarily and secondarily draped is merely an "auxiliary extension".

Thus, for the purpose of the attempt to establish infringement, the witness regards the link bars of Defendants' structure as being the clothes support called for by the claims in suit, and the frame upon which the clothes are draped he regards as merely an auxiliary extension, whereas when discussing Fig. 7 of the patent in suit, he recognizes that the link bars are merely "auxiliary arms" and that the *draping frame upon which the clothing is hung* is the clothes supporting member, and declines to say that the claims cover this structure.

STORCH PATENT PRIORITY.

United States Letters Patent to Lazar Storch No. 1,794,653, Defendants' Exhibit H7 (R. 661-665), were granted on an application filed May 9, 1929, within

twelve months after said Storch had filed an application in Austria for a patent for the same invention. The Austrian patent is numbered 116,893 (R. 538). Translation on R. 542. The application for it was filed in Austria September 1, 1928, and the Oath accompanying the United States application recites this fact (Defendants' Exhibit E) (R. 415).

Under Section 893 R. S. U. S., this Court will take judicial notice of the following facts:

Long before the year 1928, Austria and the United States became members of the "International Union for the Production of Industrial Property". Walker on Patents, Deller's Edition, p. 1038.

The Treaty Convention, as amended at The Hague, November 6, 1925, is printed in "Industrial Property Protection Throughout the World", an Official publication of the U. S. Department of Commerce. The pertinent part of it reads as follows:

"Art. 4.—(a) Any person who has duly applied for a patent, the registration of a utility model, industrial design or model, or trade-mark in one of the contracting countries, or his legal representative or assignee, shall enjoy, subject to the rights of third parties, for the purposes of registration in other countries, a right of priority during the periods hereinafter stated.

"(b) Consequently, subsequent filing in any of the other countries of the Union before the expiration of these periods shall not be invalidated through any acts accomplished in the interval, either, particularly, by another filing, by publication of the invention, or by the working

of it, by the sale of copies of the design or model, or by use of the trade-mark.

“(c) The above mentioned periods of priority shall be twelve months for patents and utility models, and six months for industrial designs and models and trade marks.

“These periods shall start from the date of filing of the first application in a country of the Union, the day of filing is not counted in this period.”

Austria's adherence to the Treaty as amended in 1925 was announced in the Official Gazette of the United States Patent Office, 372 O. G. 1009, Column 1, and therefore the above quoted portions of Section 4887 R. S. U. S. gives to the Storch U. S. Patent an effective filing date as of September 1, 1928. This is prior to Shoemaker's date of conception, testified by him to have occurred in November, 1928 (R. 116).

Section 4887 R. S. U. S. was passed to give effect to the Treaty and its pertinent portions read as follows:

“An application for patent for an invention or discovery or for a design filed in this country by any person who has previously regularly filed an application for a patent for the same invention, discovery, or design in a foreign country which, by treaty, convention, or law, affords similar privileges to citizens of the United States shall have the same force and effect as the same application would have if filed in this country on the date on which the application for patent for the same invention, discovery, or design was first filed in such foreign country, provided the application

in this country is filed within twelve months in cases within the provision of section forty-eight hundred and eighty-six of the Revised Statutes.”

The wording of the Statute and its predecessors is perfectly plain, and it has been so recognized in the following cases:

Tilghman v. Proctor, 102 U. S. 707, p. 709;

Johnson Bros. Eng. Corp. v. Masters, 49 F. (2d) 187, p. 191 (C. C. A. 7th).

**CONTROLLING AUTHORITY AS TO PRIORITY OF
STORCH PATENT.**

The subject matter disclosed,—not the subject matter claimed,—determines the question of identity as well as priority.

Milburn Co. v. Davis-Bournonville Co., 270 U. S. 390, pp. 399-402.

In this case the Supreme Court reversed the decision of the Circuit Court of Appeals for the Second Circuit, which in this and several earlier decisions had announced a contrary rule. The lower Court had held that a patent which disclosed, without claiming, a given invention, did not anticipate a patent to a later inventor who did in fact claim the invention. The Supreme Court held that what was not *claimed* by the *first* applicant became abandoned to the public. A later inventor cannot recapture it.

In the *Milburn* case, the facts were as follows:—
One Clifford applied January 31, 1911 and his patent issued February 6, 1912.

One Whitford applied March 4, 1911 and his patent issued June 4, 1912.

Clifford *disclosed* but did not *claim* what Milburn's patent covered.

Whitford, the later applicant, proved no date of invention prior to Clifford's application.

From the decision we quote the following:

“The question is not whether Clifford showed himself by the description to be the first inventor. By putting it in that form it is comparatively easy to take the next step and say that he is not an inventor in the sense of the statute unless he makes a claim. The question is whether Clifford's disclosure made it impossible for Whitford to claim the invention at a later date. The disclosure would have had the same effect as at present if Clifford had added to his description a statement that he did not claim the thing described because he abandoned it or because he believed it to be old. It is not necessary to show who did invent the thing in order to show that Whitford did not.”

The Court also held it immaterial whether Clifford's patent had,—or had not,—actually issued before the date of Whitford's application.

In the case at bar the Treaty and Section 4887 put Storch in exactly the same position that Clifford occupied in the case before Supreme Court. Both Storch and Shoemaker were foreigners, but under the Treaty and the Statute Storch was on an identical footing with any United States citizen.

If he had not applied for a patent in the United States within twelve months from the date of his Austrian application, on September 1, 1928, the fact that he was a first inventor would have been of no avail, for Section 4923 would then have applied. Foreigners who do not apply for patents in this country do not acquire any rights or any *status as inventors*, either under the Treaty or under our laws. But those who conform to the Treaty and Section 4887 do acquire such rights, and the public acquire, through them, the benefit of their disclosure.

Whatever the inventor does not claim, is acquired immediately. What he does claim becomes public property upon expiration of the patent. The theory of Counsel that a later inventor can include within the scope of his monopoly whatever the earlier inventor failed to claim, was exploded by the Supreme Court in the *Milburn* case.

SECTIONS 4886 AND 4923, R. S. U. S.

Counsel for Plaintiffs lays great stress on his argument that the Shoemaker application, filed December 24, 1928, was accompanied by the "usual oath", and that he does not know and does not believe that his invention was ever before known or used.

But Storch made the same oath to his U. S. application, and that application has an *effective* filing date of September 1, 1928, which is earlier than Shoemaker's date of conception. Both Storch and Shoe-

maker are foreigners. Therefore, if Section 4923 could be applied to such a situation, it establishes the priority of the Storch patent as against anything that Shoemaker did at any time.

However, Section 4923, *on its face*, applies only to prior knowledge and use in a foreign country. It does not purport to deal with patent rights established under the Treaty, and which, under the decision in the *Milburn* case, carry through to the issuance of a patent regardless of the date of issuance.

Inventions are the work of inventors. Elaborate drawings, specifications and claims are the work of patent solicitors. In the *Milburn* case, if the attorneys for Whitford and Clifford had been reversed, the apparent scope of the respective patents would have been reversed. Similarly, if the attorneys for Shoemaker and Storch had been reversed, the apparent scope of their respective patents would have been reversed, and Storch might have obtained 28 claims, each containing expressions shrewdly phrased to appear to the Official Examiner as words of limitation, but open to interpretation by a professional expert to mean exactly what the Official Examiner refused to allow. Such practices tend to bring all patents into disrepute.

**DECISIONS FOLLOWING MILBURN CO. v. DAVIS-
BOURNONVILLE CO., SUPRA.**

- Mershon v. Sprague Specialties Co.*, 95 F. (2d) 313, p. 319 (C. C. A. 1st);
Craftint Mfg. Co. v. Baker, 94 F. (2d) 369, p. 371 (C. C. A. 9th);
Nelson v. Wolf, 97 F. (2d) 632 (C. C. A. 2, 1938).
-

TEACHING OF STORCH SPECIFICATION.

At the trial, Plaintiff's expert said he could find no justification for Defendants' Ex. U, having omitted the Storch lazy tongs, and no justification of the fact that in Defendants' Ex. U the draping frame unfolds in a clockwise direction and folds for secondary draping purposes in a counter-clockwise direction.

The witness certainly went far afield in this effort to minimize the disclosures in the Storch patents and the force of Ex. U, for it is elementary that to omit a part together with its function does not create a new invention, and that to reverse a movement without changing the principle of operation, does not change the character of the invention. But if the expert had made a real effort to find justification for Ex. U in the Storch specification, he would most certainly have found it in both of the Storch patents. The lazy tongs are described as a feature to be either used or omitted from the basic combination of the link bars with the central clothes support or draping frame which the link bars connect with the suitcase cover.

From page 2 of the Storch U. S. patent we quote the following, commencing with line 70:

“Obviously instead of the garment supporting unit B being in the form of a releasable and extensible lazy tongs structure composed of a plurality of garment supporting frame elements pivotally connected with one another, said unit may be composed of only a single pair of end bars connected together by any desired number of rods on which garments may be hung.”

Also, from the Austrian patent translation, middle portion of R. 544, we quote:

“the insert can be so constructed that it consists of only two or more frames.”

The disclosure of the lazy tongs is merely a disclosure that they *may* be used if called for by the number of garments to be carried.

As to clockwise and counter-clockwise draping movements, it is clearly stated in both of the Storch patents that the clothes supporting unit B may be swung in *either direction* on its pivotal connection with the links to adjust the frame for draping, and that it will then be swung in a *reverse direction to complete* the draping or secondary folding of the garment if the garment has sufficient length for a four-ply fold. We quote the following, lines 14 to 16, page 2 of the U. S. patent:

“The unit B may be mounted on the frame A for swinging movement with respect thereto in any suitable manner.”

From the middle of the second paragraph, page 2 of the Austrian patent, we quote the following statement that the garment frames,—

“can be rotated in the stirrup in the direction of the arrow or also in the opposite direction.”

The exemplification of the Storch patents embodied in Defendants' Ex. W follows the above suggestions made in the Storch specifications and *is a substantial replica of Defendants' accused structure in all essential particulars.*

STORCH PATENT DISCLOSES THE ACCUSED STRUCTURE.

The features common to the Storch patent and Defendants' accused structure include the following:

(a) A clothes support connected by pivoted link bars to the lateral side walls of a suitcase cover near the hinged side of the cover, whereby the clothes support may be bodily projected out of the cover to a loading position, and into the cover to a packing position, by a swinging movement of the links.

(b) The clothes support is so pivoted to the swinging ends of the links that it can be rotated a one-half turn, when so projected, to present it in a loading position, and by a reverse movement to secondarily drape or wind the clothing on the frame, preparatory to swinging it on the links to a suspended position within the cover. The Storch specification says that this secondary drape can be accomplished by swinging the frame in *either*

direction from its loading position. When swung counter-clockwise its mode of secondary draping conforms *exactly* to that of the accused structures as is demonstrated by the cuts on pages 55, 58 of this brief. In these cuts only the essential part of the fixtures are illustrated. The Storeh patent says that the lazy tongs may be omitted, if desired.

(c) The draping frame has a primary draping bar, normally in proximity to the hinged side of the cover and removable, with the frame, from that position to an elevated loading position above the suitcase body adjacent the side to which the handle is attached.

(d) The draping frame is so combined with the links as to allow the frame to be projected bodily out of the cover in the same manner as in the accused structure, instead of being merely tilted out, as disclosed in the patent in suit. After being projected by the links, the frame may be swung on its pivotal connection with the links to a convenient loading position.

(e) A stop 17 is used to support the links in the projected position, and another stop 20 is used to hold the draping frame in the loading position. In the accused structure, the links are supported in the projected position by a stop on the body of the case, and an ordinary stop of the one-way hinge type is used to hold the draping frame in loading position.

Therefore, the Storeh patent discloses the Defendants' device.

A device which would infringe, if later, will anticipate, if earlier.

Killefer Mfg. Co. v. Dinuba Associates, 67 F. (2d) 362, p. 366.

REPLY TO APPELLANT'S BRIEF.

The major portions of Appellant's brief are answered in the foregoing pages of this brief, but it will be appropriate to reply to a few arguments which attempt to raise collateral issues. The first of these is the question of:

PLAINTIFF'S COMMERCIAL SUCCESS.

We have already quoted from the Record p. 143, a portion of the Shoemaker deposition, in which he testified to the importance of having his clothes support pivoted directly to the hinged wall of the cover as distinguished from a pivotal connection with the lateral side walls. He limited his claims to this feature,—when it became necessary to do so in view of the rejection of his broader claims.

Therefore the presumption is that if Plaintiff's sales of suitcases were increased by reason of this alleged invention, the increase was due to this feature,—the only feature which Shoemaker testified to be "more practical" than the draping frame connections of the prior art.

If there was public approval, it is to be inferred that it was due to this feature.

However, the testimony of Shoemaker and his Licensees as to the extent of sales wholly fails to show that their sales of suitcases were increased over the volume existing prior to Shoemaker's date of conception in 1928.

It is well settled that evidence of public demand and public approval requires much more adequate proof than has been furnished in this case.

Altoona Publix Theaters v. American Tri-Ergon Corp., 294 U. S. 477, p. 488.

EFFORTS TO DISCREDIT THE STORCH PATENT.

The extended effort to discredit the Storch patent plainly indicates that counsel fully realizes the pertinence of this patent. The various propositions upon which counsel attempts to rely will be taken up categorically, as follows:

(a)

It is urged that the Storch priority over Shoemaker is merely a personal right vested in Storch under Treaty Convention.

Of course, the right of Storch to establish himself as a first inventor within the meaning of our laws by applying for a United States patent within twelve months from the date of his Austrian application *was* a "personal right."

But when he *exercised* that right by applying for and procuring a United States patent *disclosing* the invention, he established himself as a first inventor

over anyone having a date of conception *later* than the date of his Austrian application. Thereupon he became a first inventor *with the same force and effect as if he had been a citizen of the United States and had applied for a United States Letters Patent on the 1st day of September, 1928.* All citizens of the United States became vested with the right to use that invention, subject only to the limited monopoly of the patent itself.

The Treaty and Section 4887 R. S. U. S. placed Storch in exactly the same position that Clifford occupied in *Milburn v. Davis-Bournonville, etc., supra,* and Appellees have the same rights under Storch that were accorded to the Defendants in the *Milburn* case as against the Whitford patent. The Supreme Court held that Whitford was not a first inventor and could not claim anything that Clifford disclosed. It necessarily follows that Shoemaker cannot claim anything that Storch disclosed.

Therefore, Counsel's attempt to overrule the Supreme Court must fail.

(b)

It is contended in Appellant's brief that Section 4923 sets aside the Treaty and the provisions of Section 4887 even though Section 4923 deals with a wholly different set of facts, viz., a set of facts which would have existed if Storch had *not* availed himself of the Treaty rights and of the provisions of Section 4888.

If Storch had not applied for a United States patent, it would have been of no avail for him to prove, or

for Appellees to prove, that Storch made and sold his suitcases in Austria. Under the decision of *Westinghouse v. General Electric*, referred to in the Plaintiff's brief, it would have been of no avail to the Appellees to prove that Storch sent blue prints of his suitcase into the United States on September 1, 1928. Section 4923 deals with such situations, *but, on its face, it does not purport to deal with situations which come within the Treaty Convention.*

These three sections of the Statute 4887, 4888, and 4923, must be construed together, and when so construed it is perfectly clear that to obtain a valid patent the applicant must be the first inventor; that he is the first inventor even if he is a foreigner and applies for a patent first in a foreign country and then in the United States within the statutory twelve month period unless some one else could show an earlier date of invention within the meaning of United States laws.

Counsel quotes the following from *Westinghouse v. General Electric*, 207 F. 75:

"The patent granted to a person here is not void, and is not to be denied to an original inventor here, for the reason *merely* the invention had been known or used in a foreign country before his invention or discovery thereon."
(Italics ours.)

If counsel had noted the word "*merely*" in the above quotation it would have been clear even to him that the basis for the decision in the *Westinghouse* case recognizes that if the user in the foreign country had applied for a patent there and followed it with an

application in the United States within twelve months thereafter, his prior inventorship would not be based *merely* on the foreign use nor upon his blue prints.

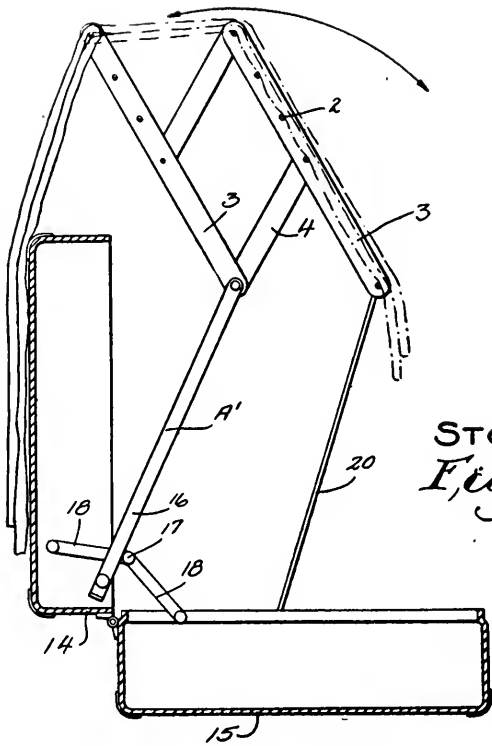
In the case of *Electric Storage Battery Co. v. Shimadzu*, 307 U. S. 5, referred to in Counsel's brief, the essence of the decision was that *because* Shimadzu *had* availed himself of his Treaty rights and his rights under Section 4887, he could carry his date of invention back of even his foreign filing date. Having established himself as a *prima facie* first inventor under the Treaty, he could go back to his date of conception and first reduction to practice, whereas, but for the Treaty and Section 4887, he would have been barred and the public would have been barred under Section 4923 from showing what Shimadzu did in Japan.

(c)

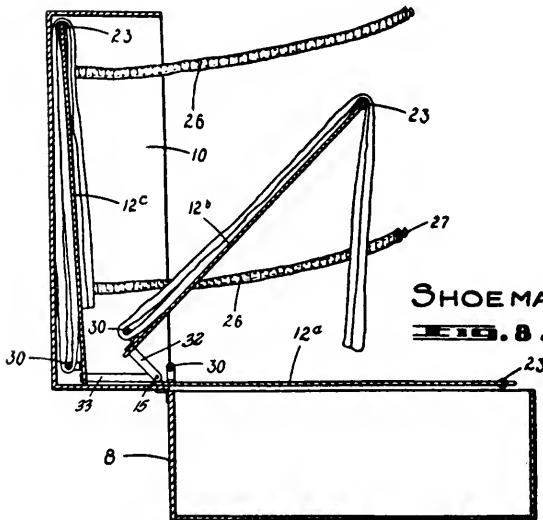
Plaintiff's Objection to the Storch Structure as Clumsy.

It is probably a sufficient answer to this objection to reproduce on the opposite page, for the purpose of comparison, Figure 4 of the Storch patent (with broken parts replaced), and Figure 8 of the patent in suit.

These views illustrate the respective patentee's ideas of means for providing a suitcase cover with a plurality of draping frames. The Storch Figure 1 illustrates three draping frames, whereas Figure 8 of the patent in suit illustrates only two. Even at that, there is little difference in clumsiness, and the followers of the Plaintiff, as well as the followers of Storch, have abandoned the teachings of the respective patents in



STORCH
Fig. 4.



SHOEMAKER
FIG. 8.

this regard and adopted the Pownall battery of draping bars.

This is a sufficient answer to the charge of clumsiness.

(d)

Plaintiff's Objections to Defendants' Exhibit U (R. 690), and Physical Exhibits V and W.

Exhibits U, V and W do not pretend to represent the drawings of the Storch patent. Neither were they offered as proof that Storch anticipated the claims in issue if properly interpreted.

On the contrary, these exhibits were offered to show that Defendants' suitcases have followed the teaching of the Storch specification and not that of the Shoemaker specification. The Storch specification says that the extra clothes support and lazy tongs may be omitted. He shows in Figure 4 that stop 17 may be substituted for the stays 5a shown in Figures 1 and 3, and a stop at the upper end of the link bar A' is plainly implied.

His specification also states that the clothes support may be swung in either direction to wind the clothes thereon for secondary draping, and this plainly implies that the angle of the link bars A' would be changed to provide clearance if the swinging movement is to be reversed.

This is all that Defendants have done. Defendants' suitcases have simply carried out these suggestions, and Exhibits U, V and W demonstrate that fact. The situation is quite the reverse from the one which this

Court passed upon in *Bankers, etc. v. Pacific, etc.*, 18 F. (2d) 16. In that case the Defendant was attempting to jump the fence into the pasture provided by the patent in suit, whereas in the present case the Exhibits demonstrate that Plaintiff's expert testimony represents an attempt by the Plaintiff to jump the fence into the Storch pasture by urging an interpretation of the claims in suit to cover exactly what the Patent Office refused to allow.

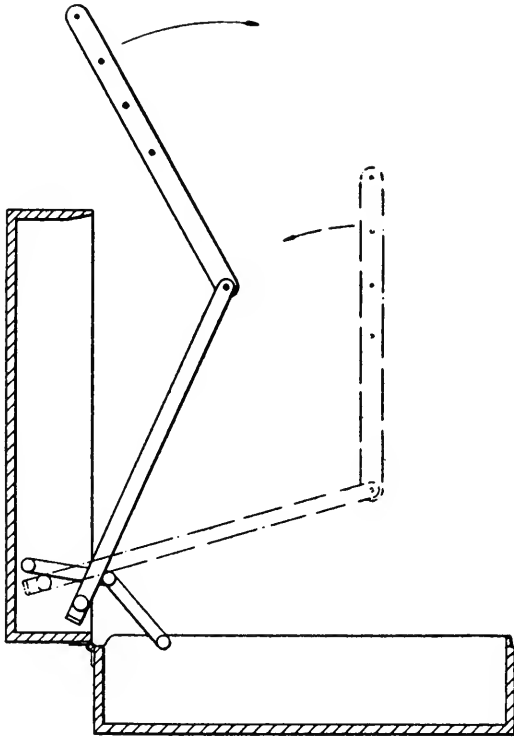
Exhibits U, V and W embody the identical *invention* disclosed by Storch, and nothing more.

That such variations as exist do not affect the question of identity, is fully established by the leading case of *Siemens v. Sellers*, 123 U. S. 276, where, on page 283, the Court says:

“They describe the same furnace in all essential particulars. The English specification is more detailed, and the drawings more minute and full; but the same thing is described in both.”

See also *United Peg-Wood Shank & Leather Board Co. v. B. F. Sturtevant Co.*, 125 F. 378, p. 381, (C. C. A. 1st).

The cut below is a replica of the Storch Figure 4, with broken parts restored. In dotted lines we illustrate what any mechanic would necessarily do to carry out the suggestion in the Storch specification, that the clothes support may be swung in the opposite direction.



STORCH FIG. 4 FIXTURE APPLIED TO
DEFENDANT'S SUIT CASE FOR EITHER
CLOCKWISE OR COUNTER-CLOCKWISE FOLDING

It is hypercritical to assume that ordinary mechanical knowledge and common sense will not be used in following the teachings of a patent, not only as to preferred forms, but as to suggested modifications.

Oliver-Sherwood Co. v. Patterson-Ballagh Corp.,
95 F. (2d) 70, p. 78 (C. C. A. 9).

If done for the purpose of carrying out the teaching of the Storch patent, it is not a departure to add, subtract or shift elements as any ordinary mechanic would be expected to do in order to embody the invention in commercial form.

Creed v. Potts, 37 Pat. Q. 512.

CONCLUSION.

The Decree of the Trial Court should be sustained upon the following grounds:

1. Upon the grounds of anticipation by Maurice Koch.

2. Upon the ground that Plaintiff's assignor, in procuring the patent in suit, defined the expression "hinged side of the cover" as meaning the base or wall of the cover to which the body hinges are attached, and did so to avoid a rejection of his claims upon prior art disclosing clothes supports pivoted to the respective side walls of a cover adjacent the hinged wall.

3. Upon the ground that Plaintiff is estopped to assert an interpretation of the claims in issue, which would give them sufficient scope to cover the accused suitcase, embody a bodily projectible clothes support

movable to an upright loading position, adjacent the handle side of the suitcase body.

4. Upon the ground that the accused suitcase is constructed in accordance with the teaching of the prior art, particularly that of the Storch patent, and that, if the accused suitcase infringes any of the claims, the Storch patent anticipates those claims.

Dated, San Francisco, California,
April 7, 1941.

Respectfully submitted,

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4

In The
UNITED STATES CIRCUIT COURT OF APPEALS

For the Ninth Circuit — Number 9693

THE L. McBRINE COMPANY, LIMITED,
Appellant,

vs.

SOL SILVERMAN and SAM SILVER-
MAN, co-partners doing business under the
name and style of BALKAN TRUNK &
SUITCASE CO.,

Appellees.

- - - - -

THE L. McBRINE COMPANY, LIMITED,
Appellant,

vs.

HERMAN KOCH, doing business under the
name and style of H. KOCH & SONS, and
HAROLD M. KOCH, WILLIAM L. KOCH,
and REBECCA KOCH,

Appellees.

Consolidated

FILED

APR 2 1941

PAUL P. O'BRIEN,
CLERK

REPLY BRIEF FOR APPELLANT

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for the Northern District of California — Southern Division.



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Consolidated

REPLY BRIEF FOR APPELLANT

Introduction.

Findings and Conclusions on the contested issues except with reference to the Koch defense were favorable to plaintiff-appellant; so in preparing our main brief we could not foretell whether or not the defendants would urge for consideration any of the additional defenses rejected by the District Court.

This reply brief will be confined to a consideration of matters concerned with the following defenses: The Koch defense; the Storch patents; and alleged non-infringement based on interpretation of the Shoemaker patent claims and the file wrapper.

The Koch Defense.

We respectfully urge that this Honorable Court, even if it agrees that the District Judge was correct in giving credence to the testimony of the witnesses for the defense and in accepting the supporting exhibits, can set aside the Conclusion of Law concerning the Koch defense and the corresponding Finding of Fact (Conclusion of Law 1 and Finding of Fact 7) *for the reason that there was an obvious misapplication of the proven facts to the law.* The law is exceedingly strict in its requirements as to the class and character of testimony and exhibits which are sufficient to establish a prior use for the purpose of invalidating a patent. The proofs adduced on behalf of the defendants in connection with the Koch defense do not measure up to these requirements. Not one of the five thousand or more Koch luggage cases alleged to have been manufactured and sold was produced and offered in evidence.

Under Rule 52 of the Federal Rules of Civil Procedure in actions tried by the Court without a jury "the question of the sufficiency of the evidence to support the findings may thereafter be raised * * *."

In summarizing our views on this subject we wish to emphasize that:

1. The claims of the Shoemaker patent in suit define a piece of hand luggage having garment folding fixtures mounted therein in an advantageous specified relationship to produce a new and useful result.

2. In 1928, and prior thereto, fixtures used in wardrobe hand luggage in packing and operating arrangements were arranged and disposed decidedly different from that of the Shoemaker invention, and that the fixtures obtained by the Kochs in 1928 were susceptible of being mounted in luggage in many different ways (of which that depicted in the cut opposite p. 44 of our main brief is one example) remote from the Shoemaker concept.

3. The defendants are relying only on oral testimony of interested parties as to events twelve years back in their attempt to prove the existence, use, and sale of hand luggage like defendants' Exhibits K, L and S.

4. If five thousand or more cases like Exhibits K, L and S had in fact been sold, the defendants, with little effort, could have located and offered in evidence contemporaneous physical or documentary exhibits which would show *without doubt* how the fixtures were in fact arranged in the early luggage cases. Their failure so to do, or an adequate explanation, puts them squarely under the "best evidence" rule, and raises a presumption that actual contemporaneous showings of the early luggage cases would have been unfavorable to their contentions.

5. In view of the foregoing, the District Court did not make a correct application of the proven facts to the law, and this Honorable Court should reverse the lower court holding with respect to the Koch defense and decree that the Shoemaker patent is good and valid in law.

As to cases with fixtures arranged therein like defendants' Exhibits K, L and S (*prepared for the purposes of this litigation just prior to the trial*) we only have the word of Mr. Maurice Koch, son of one of the defendants and interested in H. Koch & Sons, together with certain vague statements of Frank Kapps and Thomas Merryfield. Mr. Kapps was questioned as to whether or not he ever saw a case or box having fixtures therein assembled

in the manner shown in defendants' Exhibit K and he replied (R. p. 313):

“Yes, we put it in a *temporary* assembly.” (Italics ours.)

On cross examination he admitted that he was trying to recollect something that occurred fifteen years ago, and in addition Mr. Merryfield's testimony was very general.

We respectfully submit that the memory of these two witnesses was prodded by a confrontation with an exhibit, *recently made for the purpose of this litigation*, having fixtures therein assembled in a certain desired relationship. It would be an easy matter, considering that many years had elapsed and that they had undoubtedly seen and worked on numerous fixtures since 1928, for them to honestly but mistakenly believe at this date that the original fixtures were assembled in the manner shown in the newly made exhibits, whereas, it is logical, considering the vogue in fixture arrangements prevailing in 1928, that the original fixtures might have been, and we contend were, mounted in a suitcase in an entirely different relationship.

The Koch defense must fail unless it is established, by that degree of proof required by the law, that the fixtures were assembled in suitcases in a very definite relationship as called for by the relied upon claims in the Shoemaker patent. The defendants seek to prove this assumption merely on the basis of *oral* testimony of interested parties relating to something which occurred twelve years previous. The contemporaneous physical exhibits and documentary evidence in this case only establish at best that Larkin Specialty Co. manufactured for H. Koch & Sons certain types of frames, garment bars and sockets. The proofs do not establish the existence, use and sale of suitcases having the fixtures mounted in the hinged side of the cover of a wardrobe luggage case in a manner so as to satisfy the terms of the Shoemaker claims.

There is not one iota of record evidence or anything in the way of contemporaneous physical exhibits to substantiate the use and sale in 1928 or thereafter of suit-cases similar to defendants' Exhibits K, L and S. We only have the oral testimony of Maurice Koeh that this was a fact, coupled with the oral testimony of Albert Kantrow, who operated luggage stores in San Francisco and jobbed Koch products. Although Mr. Kantrow alleged that he bought from the Kochs and subsequently sold, during a period of several years, at least a hundred or more of the cases in question per month, not a single piece of record evidence with respect to the assembled cases was produced to verify this bare statement.

We think that this Honorable Court may well take judicial notice of the fact that hand luggage is extensively advertised both by manufacturers and retailers. If numerous luggage cases like defendants' Exhibits K, L and S were in fact sold to the public and put into extensive use in 1928 and thereafter, *how can the defendants account for the fact that they have failed to produce as physical or documentary exhibits any of the following material which should be available or procurable:*

1. An actual case manufactured and sold in 1928 or thereabouts (some cases certainly must have been in the possession of members of the family or relatives of either Mr. Kantrow or the Kochs, or purchasers in the immediate vicinity), or

2. A contemporaneous photograph of the luggage case, or

3. A contemporaneous newspaper advertisement and cut thereof, or

4. A contemporaneous catalog or advertising folder showing thereof; or

5. Invoices or sales records of contemporaneous date of Mr. Kantrow's company showing legitimate transactions in regard to luggage cases of the type under consideration.

Some of the above items should have been readily procurable by these defendants for use at the trial and introduction into evidence if suitcases like Exhibits K, L and S had in fact existed in 1928, and had been manufactured and sold in numbers in the thousands, and had gone into extensive usage. All of the transactions were on the West Coast and in the immediate vicinity of San Francisco. It was a *duty* of the defendants to produce tangible record evidence or physical exhibits to substantiate their claims with regard to the Koch defense that the fixtures were assembled in suitcases in the required manner, if such a defense is to be accepted. The defendants did not produce any material of the nature above suggested nor did they explain their failure to do so. Instead, they relied merely on oral statements of interested parties. This situation is exactly parallel to that in the case of *H. Mueller Mfg. Co. vs. Glauber*, 184 Fed. 609 (C. C. A. 7). In the reported case the defendants sought to establish a so-called prior use by an exhibit which was not one of the original pipes but was a facsimile thereof (just as in the instant case). The Court on page 618, in commenting on the testimony of the witnesses, stated:

“Their testimony so far as it goes is emphatic. But it suggests a lack of endeavor to procure the best evidence.”

The Court then goes on to reiterate the well-known rule that in the case of oral testimony the existence of the alleged early devices must be proven by evidence which is clear, satisfactory, and *beyond a reasonable doubt*. A further statement by the Court on page 618 warrants reproduction here:

“What has become of the great number of these pipes which they say were manufactured? Were they used at all, and, if so, where? It is not at all probable in the ordinary course of things that they have all disappeared. No attempt is made on the

part of appellant to show that they were in actual use, or had been placed in the hands of the public. No original coupling-pipe made by the Nelson Manufacturing Company at the time of the alleged prior use is produced. The witnesses are shown an alleged duplicate of the original pipe and depose from memory alone that it is the same device. However clearly and emphatically the testimony of such witnesses may be given, yet if it may reasonably be deduced from all the record that other and conclusive evidence might have been obtained, the existence of which is not negatived, nor its absence accounted for, the court is forced to the conclusion that it is purposely withheld. There is no excuse for the failure to follow up the coupling-pipes alleged to have been made by the Nelson Manufacturing Company.

“It is conceded that prior use must be established beyond a reasonable doubt. There must always be doubt in the mind of the court, when no effort is made to produce in evidence facts, the existence of which may reasonably be inferred from the record in the absence of any excuse for the omission. In such case the prior use cannot be said to be established beyond a reasonable doubt. We therefore conclude that the prior use contended for, as shown in this Nelson pipe, is not made out with the certainty required in such case.”

This language so aptly fits the instant situation that it might well be paraphrased to correspond with the Koch situation. In other words, in using the language of the Court, the inquiry should be raised: What has become of the great number of these wardrobe luggage cases which they (the Kochs and their witnesses) say were manufactured? It is not at all probable in the ordinary course of things that they have all disappeared. No original luggage cases made by Koch at the time of the alleged prior use were produced. The witnesses (Kantrow, Kapps and Merryfield) are shown an alleged duplicate of the original luggage case and depose from memory alone that it is the

same device. "However clearly and emphatically the testimony of such witnesses may be given, yet if it may reasonably be deduced from all the record that other and conclusive evidence might have been obtained, *the existence of which is not negatived, nor its absence accounted for*, the court is forced to the conclusion that it is purposefully withheld." (Emphasis ours.)

Before passing to the next topic we wish to point out the fact that the alleged Koch development does not in fact meet the requirements of the relied upon claims Nos. 4, 8, 10, 11, 12, 19, 23, 24 and 26 of the Shoemaker patent in suit. All of these claims require that the garment supporting means (a hanger or garment draping bar) be removably carried by the hinged or inner end or side of the garment supporting member (the swing frame). In other words, it is one of Mr. Shoemaker's important contributions to the art that the removable garment bar be removably *mounted directly on the inner or hinged end of the swing frame*. The advantages of this arrangement are completely dealt with in our main brief and were brought out by the testimony of plaintiff's witnesses, including Messrs. A. A. Ritter and Irving Roemer. The difficulties and disadvantages in a structure wherein the individual garment bar or hanger is mounted independently of or free of the swing frame were clearly demonstrated in the trial below when it appeared from Mr. Koch's demonstration that so much strain was placed on the individual garment bar in one of the exhibits that it jumped out of its sockets when the frame was swung to packing position, and that furthermore objectionable elongation took place causing injurious distortion to or stretching of the garments.

The appellees direct attention to the showing in Fig. 9 of the Shoemaker patent wherein the hanger rod is mounted in sockets independent of the swing frame. This is merely a modification. Furthermore, the showing in

Fig. 9 of the Shoemaker patent is not covered by relied upon claims Nos. 4, 8, 10, 11, 12, 19, 23, 24 and 26.

The Storch Patents.

Plaintiff-appellant has repeatedly urged that the Storch United States patent (R. Vol. II, p. 661) on which defendants strenuously rely as a defense, *is not a part of the prior art*. This patent was filed after the application for the Shoemaker patent in suit. Defendants contend that Storch is entitled to an effective filing date in the United States (and hence a constructive reduction to practice) as of September 1, 1928, the date on which Storch filed an application in Austria.

The defendants' contentions in this respect are based on the International Convention Treaty and Section 4887 of the Revised Statutes. We have no quarrel with the defendants concerning Section 4887, but the effect of Section 4887 does not make the Storch United States patent prior art as against Shoemaker, an earlier filer in the United States. We direct attention to Section 4923 of the Revised Statutes (U. S. C. Title 35, Section 72). This section of the Statutes is directly controlling because, prior to the Shoemaker invention, the Storch development "had not been patented or described in a printed publication."

Section 4923 follows Section 4887 and was advisedly enacted to cover certain situations concerning possible origin of an invention by another party in a country foreign to the United States. The rights provided by Section 4887 are priority rights which affect or extend only to the foreign inventor when he files in the United States. These rights do not extend to third parties nor permit them to give to a desired United States patent a fictitious United States filing date for the purpose of thus manufacturing prior art to shield the said *third party* from responsibility for infringement of another's duly issued patent.

In a long line of decisions the Courts, ending with the Supreme Court of the United States, have recognized that Section 4923 applies to situations like the one at bar. Attention is respectfully directed to the decisions noted and discussed in our main brief commencing on page 59. These cases all refer to and discuss the application of Section 4923 and verify plaintiff's contention that the Storch United States patent can not be converted into prior art because of Storch's activities in Austria and his filing of an application in Austria at an earlier date. *The Storch Austrian patent did not issue, and hence did not become a publication until long after Shoemaker's filing date in the United States.*

The defendants refuse to discuss the established cases dealing with Section 4923. Instead, they attempt to befuddle the issues by referring to decisions dealing with Section 4887 and other questions. The cases cited by defendants simply are not here applicable and deal with situations and conditions different from those here involved.

To demonstrate counsel for defendants' confusion or lack of desire to apply the proper law in the present situation, let us look at certain remarks in appellees' brief. On page 45 for instance, they say:

“However, Section 4923, on its face, applies only to prior knowledge and use in a foreign country. It does not purport to deal with patent rights established under the Treaty, and which, under the decision in the Milbourn case, carry through to the issuance of a patent regardless of the date of issuance.”

Note that our opponents say that Section 4923 applies only to prior knowledge and use in a foreign country, and does not apply in regard to foreign situations where a patent was applied for.

We do not understand how counsel could have arrived at this conclusion from a review of adjudications dealing

with Section 4923, including the recent Supreme Court *Schimidazu* case. However, a recent decision is so clear and explicit in regard to a situation like that at bar, that our opponents cannot deny the force of our position and the applicability of Section 4923. Contrary to the statement in our opponents' brief quoted above, the new citation clearly demonstrates that a United States patent can not be invalidated on the basis of another United States patent, filed later in this country, but whose subject matter was the basis for an earlier filed application in a foreign country belonging to the International Convention.

The new case which we refer to was recently decided by the Second Circuit Court of Appeals and is reported in the Federal Reporter Advance Sheets of March 24, 1941, 117 Fed. (2d) 481. The case is entitled *Celanese Corporation of America vs. Ribbon Narrow Fabrics Co., Inc.*, decided February 10, 1941. The defendants in this case attempted to invalidate the Dreyfus United States patent No. 1,773,967 on the basis of a United States patent issued to Sponholz. The Dreyfus patent issued on an application filed October 5, 1927 and Dreyfus' inventive acts were carried back to September, 1926. Sponholz (patentee of the urged reference) filed in the United States November 23, 1926, but Sponholz had applied for a German patent on May 11, 1926. This was within one year of Sponholz' filing date in the United States and therefore, according to the present defendants' fictitious theory, Sponholz should have had an effective filing date in the United States to correspond with his filing date in Germany, or May 11, 1926, which was prior to Dreyfus' filing date in the United States of October 5, 1927. On the question involved we wish to quote the language of the Court as follows:

“The Court found that Dreyfus completed his invention some time in September, 1926 and there was no proof that Sponholz was entitled to a date

of invention earlier than his filing date. Sponholz had previously applied for a German patent on May 11, 1926 but that is immaterial as there is no proof of any German patent or published printed description of the same subject matter prior to Dreyfus.’’

This decision and the above quotation fully answers the present defendants’ contentions and disposes of the same most effectively.

The ridiculousness of the statements made on page 45 of appellees’ brief must be apparent. There, they say that Section 4923 applies *only to prior knowledge and use in a foreign country and does not purport to deal with patent rights established under the treaty*. If defendants have not heretofore been convinced as to the soundness of our contentions through the line of decisions previously cited, they can not question the language in the *Celanese* case which fully disposes of their fictitious theory of differentiation.

Appellees’ brief, on pages 42 to 46 inclusive lists and refers to a number of cases. A review of appellees’ citations will disclose that the situations in the cases are in no wise parallel to the instant situation. In the situations covered by appellees’ citations, the parties seeking to secure the benefits of the earlier filing dates (either foreign or domestic) were actually the applicants themselves or their assignees. These cases were simply concerned with priority contests. Not any of the citations in appellees’ brief cover situations wherein third party infringers sought to use United States patents and derive the benefit from earlier filing dates of the same in foreign countries for the purpose of attempting to invalidate the regularly issued United States patents which were being infringed by the third parties. In the instant situation the law as stated by Section 4923 of the Revised Statutes governs and this was stated to be the situation in the recent *Celanese* case

heretofore referred to. See also *Merrell-Soule Co. vs. Powdered Milk Co. of America*, 222 Fed. 911.

On page 43 of appellees' brief an attempt is made to liken Mr. Shoemaker to Whitford's position in the Supreme Court *Milburn vs. Davis-Bournonville* case. The difference is that Clifford and Whitford were involved in a priority contest. In the case at bar Shoemaker was a stranger to Storch. There was no contest as between Storch and Shoemaker and under Section 4923 and in accordance with all of the cases interpreting said section of the Statutes, third parties, such as the present appellees, can derive no benefit from Storch's filing in Austria.

Defendants should have noticed and given heed to the clear statement of the Court found in the *Milburn vs. Davis-Bournonville* case on which they rely. At the end of its opinion the Court says:

“The policy of the Statute as to foreign inventions obviously stands on its own footing and cannot be applied to domestic affairs.”

Likewise, defendants seem to have overlooked the very important expression by this Honorable Court in the case of *Craftint Manufacturing Company vs. Baker et al*, 94 Fed. (2d) 369 wherein it was stated:

“Until a foreign invention has been patented or described in a prior printed publication it cannot be used to negative novelty.”

Counsel for plaintiff-appellant are not attempting to “overrule the Supreme Court” as factitiously suggested by appellees on page 52 of their brief. We are merely attempting to point out that the *Milburn* case, and cases dealing with Section 4887 do not apply; but Section 4923 and the cases dealing therewith are the ruling law on the question here involved.

On pages 53 and 54 of their brief, counsel for appellees contend that under the *Westinghouse vs. General Electric* case, Section 4923 was found applicable for the reason “*merely* the invention had been known or used in a foreign country.” They seemed to think that if, in the *Westinghouse* case, the user had filed an application in a foreign country and had followed with an application in the United States within twelve months, the situation would be changed. This was precisely what happened in the *Celanese* case we have previously referred to and in which the court stated that the prior activities in the foreign country, *including the filing of a patent application in the foreign country* were of no avail as against the United States patent in question because there had been *no issued patent or printed publication in the foreign country*.

The Storch Disclosures Are Not Anticipatory of the Relied Upon Claims of the Shoemaker Patent in Suit.

This subject was discussed in our main brief commencing on page 64. The District Court was not impressed with this defense and an inspection of the several Storch patents will show that it would take a great stretch of imagination to contend that their showings suggest the simple and effective wardrobe luggage invention of the Shoemaker patent. We have complained over the admission in evidence of defendants’ Exhibit U (R. Vol. II, p. 690). The showing therein in the left hand upper corner is not in any way justified by the showing in the Storch patent. Counsel for defendants, who prepared this drawing, drew on their imagination and indulged in wishful thinking. In our main brief we have pointed out why this showing does violence to the disclosure in the Storch patent. Appellees apparently have recognized the justice of our complaint because on page 55 of their brief they have now made a new showing of the Storch patent. It should be noted that the stop

17 precludes the arm A-1 from swinging horizontally onto the bottom section of the case. Also the arms 3 extend to a height greatly above the free end of the open cover of the suitcase. How could this frame arrangement be swung in a counterclockwise direction? It would strike the top of the open cover and be rendered inoperative. We submit that the more one studies the showing of the Storch patent the more one wonders how the device was intended to operate and how it can in fact operate and fold and compact garments.

Re File Wrapper of Shoemaker Patent and Infringement of Claims in Suit.

The defendants contend that they relied upon claims of the Shoemaker patent in suit should be read in such a limited manner as to require the hinged connection of the garment supporting member or frame to be on a specific rear panel of the cover of the luggage.

In some of the original claims submitted in the Shoemaker application the garment supporting member or frame was defined as being "hingedly connected relative to the hinged side of the cover." In Paper No. 2 in the file wrapper (R. Vol. II, p. 486), the action from the Patent Office dated July 29, 1929, the Examiner cited the following patents: *Boyd et al No. 1,185,971 and Burchess No. 1,081,014*. In regard to certain of the claims the Examiner stated:

" 'Relative' is ambiguous and should be cancelled."

This simply meant that in the Examiner's opinion the word "relative" was too general and vague. Of the references cited, the Boyd et al patent was the only citation of any significance in the connection of a frame arrangement with a piece of luggage. By referring to the Boyd

et al patent (R. Vol. II, p. 553) it will be noted that this is a wardrobe trunk structure having a pair of foldable trolleys each hingedly connected at the upper end of the wardrobe section of the trunk. In this arrangement the trolleys might casually respond to the claimed garment supporting member of Shoemaker and the attorneys merely sought to overcome the Examiner's objection as to the word "relative," in connection with this reference by changing the claims so as to bring out that applicant's garment supporting member or frame was hingedly connected *at its opposite ends*. This change in phraseology was for the purpose of pointing out that the applicant's frame member was a unitary device having opposite ends at its inner portion and these opposite ends were hingedly mounted within the luggage as distinguished from the trolleys of Boyd et al which were two in number and therefore not of a nature to be *connected* at its opposite ends. In the following amendment the attorneys therefore changed the claims in this respect merely for the purpose of overcoming the ambiguity of the word "relative" and differentiating the connection of the Shoemaker frame from the several connections of the trolleys in the Boyd et al patent.

File wrapper estoppel would only apply if the following had been true: If the prior art had disclosed the combination of a garment supporting frame carrying, in loaded position, a hanger at its inner end, with the inner ends of the frame being mounted at the lower ends of the side walls of the cover, then, probably Shoemaker would be justifiably limited to claims which would only cover a structure wherein a frame was mounted on the specific rear or inner hinged panel of the cover. This was not the case, however. Shoemaker is very definitely entitled to a construction of his claims which will include in a luggage case a hinged frame, carrying a detachable garment bar, with the frame mounted within the zone of the inner or hinged end portion

of the cover. This is what is disclosed in the Shoemaker patent and this is what the defendants do, and *this association of parts is not disclosed in any of the prior art.*

We have demonstrated in our main brief, page 22 et seq., and by means of the cuts shown opposite page 26, that the defendants, just as much as Shoemaker, do in fact actually mount their frames on the hinged side of the cover. We do wish to insist, however, that the file wrapper of the Shoemaker patent does not spell the situation urged by the defendants, creates no estoppel whatsoever, and is of no consequence in this proceeding.

This Court very recently, in *Research Products Co., Ltd. vs. The Tretolite Company*, 43 U. S. P. Q. 99 on page 104, spoke on the subject of so-called "file wrapper estoppel." In effect this Court acknowledged that claims should be given their logical and intended meanings and interpretations notwithstanding withdrawal of certain claims during the prosecution of the application.

The correct rule on this subject is also very accurately expressed in *United States vs. Mitchell*, 74 Fed. (2d) 569 wherein the Court said on page 571:

"Distinctions are made and limitations are sometimes placed on language of claims by applicant's counsel which are somewhat inaccurate or made to meet a precise prior art citation, and without much thought as to their effect on other structures designed to avoid infringement. We should therefore be careful and avoid such construction of the claims as will defeat the real discovery which the inventor is contributing to the art."

The interference proceeding between the Shoemaker application and an application of the party Wheary had no relationship whatsoever to the structure for effecting compound folding of garments, defined by the claims of the Shoemaker patent here in suit. Wheary had invented a

structure which consisted merely of a U-frame with long side arms, and the contest was only with relation to extremely broad claims covering generally a U-frame having its inner end pivotally mounted relative to the hinged section of the cover of a wardrobe case. The Wheary structure did not have a removable bar associated with the inner end of the frame for effecting compound folding of garments.

The claims which Shoemaker conceded to Wheary in the interference proceeding had no limitations therein with respect to the removable garment bars at the inner end of the frame. The Wheary invention, and the claims in connection therewith, related only to the U-frame of the Winship type, with longer side arms. The attorneys for Mr. Shoemaker made the amendment, eliminating the word "relative" immediately after the first action from the Examiner appearing on page 488 of Vol. II of the Record and *before* the interference contest with Wheary and before a final rejection of any of the claims presented.

The appellees attempt to make much of the recent Supreme Court case of *Schriber-Schroth Co. vs. Cleveland Trust Co. et al*, 61 Sup. Ct. Rep. 234, 47 U. S. P. Q. 354. May we say briefly that the facts in the instant case are not parallel to the facts in the *Schriber-Schroth* case, and the law announced therein is not applicable nor controlling in the instant situation.

The Supreme Court case involved the following important factors:

1. The patent owners attempted to read into the claims *an element which was entirely and totally lacking therefrom.*

2. The claims were invalid because of the prior art without said element.

3. The *essential* element was *not mentioned* in the claims.

4. The essential element was surrendered to an opponent during an interference.

In the case at bar, during the prosecution of the Shoemaker application, the early amendments referred to were only with respect to the word "relative" with relation to the connection of the frame with the hinged side or zone of the cover. The applicant (Shoemaker) never surrendered the element of a frame hingedly carried by the hinged side or zone of the cover. Therefore, there is not an attempt to read into the claims in suit an element which is totally lacking from the claims.

The validity of Shoemaker's claims is not affected by which interpretation is given thereto. They are valid if "the hinged side of the cover" is properly interpreted to mean "that zone of the cover, from the horizontal center line downwardly, which is hingedly connected with the body of the case," or if defendants' unjustified narrow interpretation is followed.

Shoemaker's claims are not and never were devoid of an essential element. The claims in suit do define a hinged connection of the frame or garment supporting member with a proper portion of the cover.

No essential element of the claims in suit was surrendered to Wheary during the interference. Shoemaker simply limited his invention to a certain form of frame *and cooperating bar or hanger*, with the frame connected to a portion of the *cover*. Wheary obtained priority on the broader idea of a mere U-frame (devoid of cooperating bars or hangers) pivotally mounted in the region of the connection between the cover and body sections of the case. As a matter of fact Wheary disclosed connections between the frame and the *body* of the case as distinguished from Shoemaker's connections between the frame and *cover* of the case.

The foregoing will simply demonstrate that the facts in the instant case are not parallel to those in the *Schriber-Schroth* Supreme Court case and the holding in said case is not applicable to the present situation.

As demonstrated by the cuts appearing opposite page 26 of our main brief, it must be clear that the accused structures of the defendants are within the terms of the claims of the Shoemaker patent without any distortion thereof, and that nothing in the file history of the Shoemaker patent can prevent said claims from being given their natural and intended meaning, which will embrace the accused structures.

Respectfully submitted,

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In The
UNITED STATES CIRCUIT COURT OF APPEALS

For the Ninth Circuit — Number 9693

THE L. McBRINE COMPANY, LIMITED,

Appellant,

vs.

SOL SILVERMAN and SAM SILVER-
MAN,

Appellees.

- - - - -

THE L. McBRINE COMPANY, LIMITED,

Appellant,

vs.

HERMAN KOCH, HAROLD M. KOCH,
WILLIAM L. KOCH, and REBECCA
KOCH,

Appellees.

Consolidated

FILED

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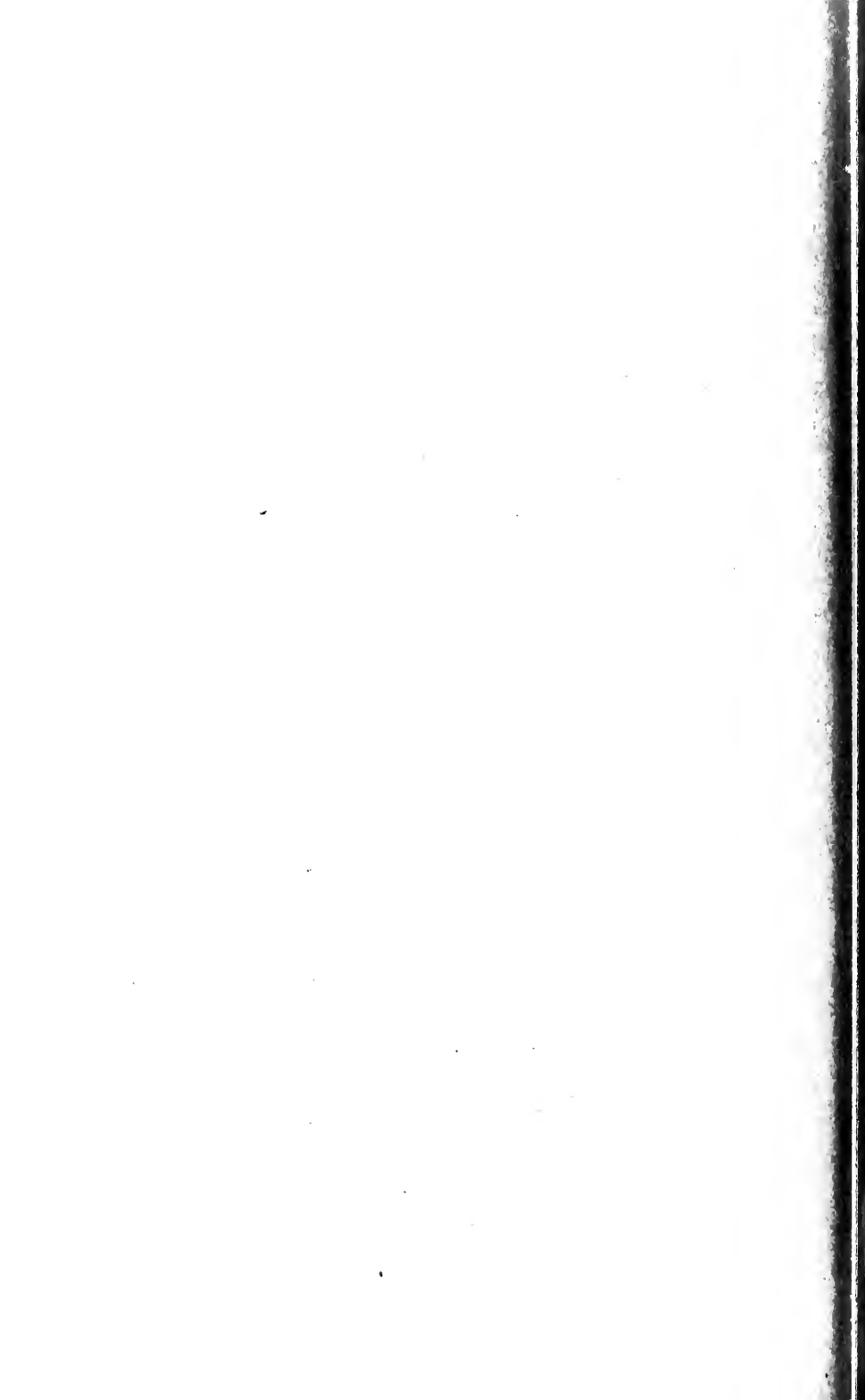
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PETITION FOR REHEARING

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Upon Appeals from the District Court of the United States
for the Northern District of California — Southern Division.



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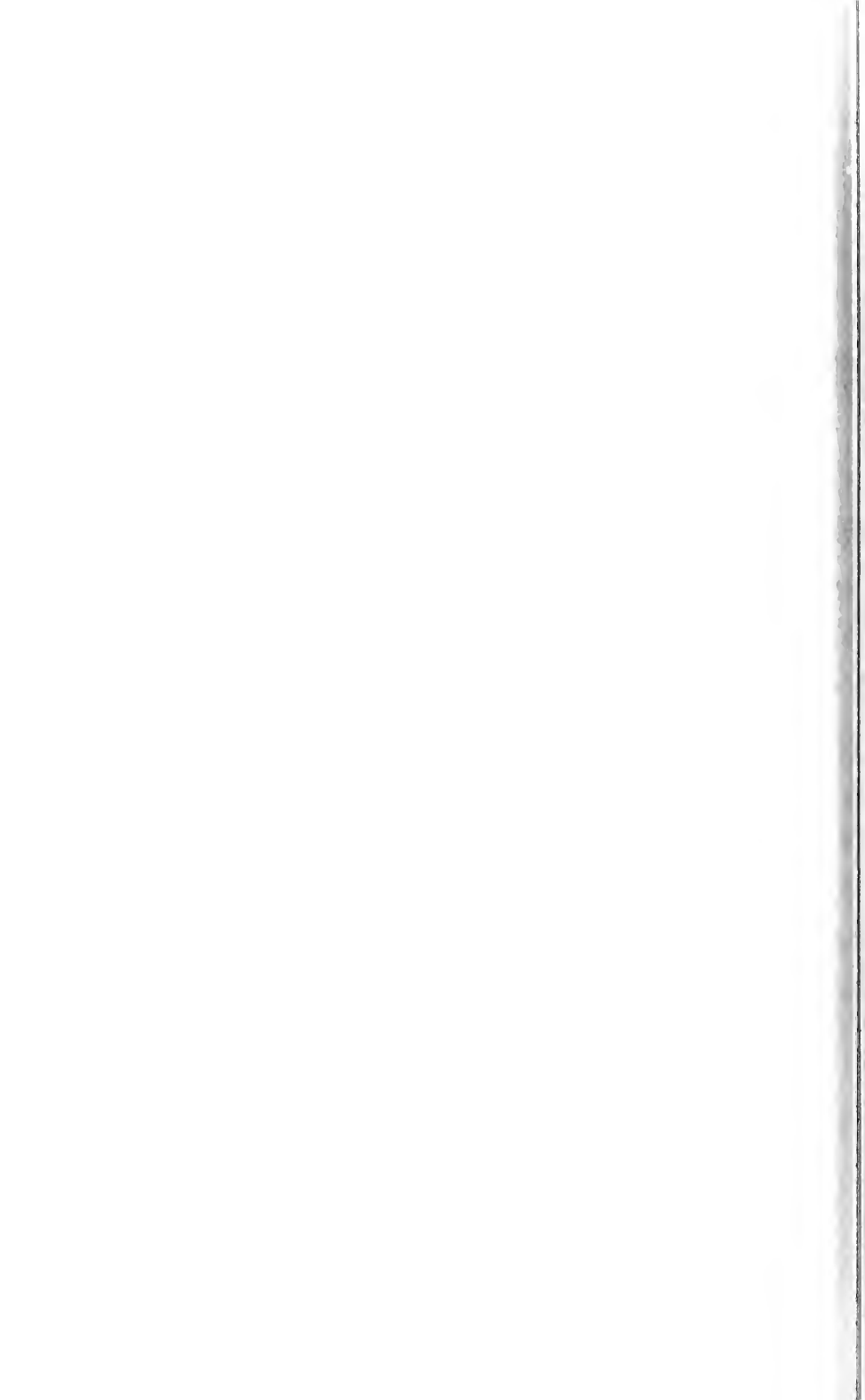
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Consolidated

PETITION FOR REHEARING

This Honorable Court, apparently recognizing that the very vague, indefinite, and clearly insufficient and unsatisfactory proof with respect to the alleged Koch prior use was not the type of proof necessary under well established principles of patent law to overthrow a patent, has ordered in its decision dated June 25, 1941, that that portion of the



ment in such a way that the garment may be quickly and smoothly packed in the cover without strain or stretching, with all of the cover area utilized. To obtain this result it is necessary that the swinging garment supporting frame have its hinged connection *adjacent* the hinged wall of the cover, but it is not essential that the frame be literally connected to the hinged wall of the cover, as long as the pivot pin is *adjacent* thereto so that the entire area of the cover may be utilized.

With this type of decision it is impossible to see how a patent can have any value in the Ninth Circuit because the decision opens the way to clearly evasive infringements where the infringer obtains all of the advantages of a patented idea. A rehearing to correct this unintentional but flagrant error is strenuously urged.

On a question of the type involved in this petition for rehearing it makes no difference whether the claims are read to mean that the frame is carried on the hinged wall or to mean that the frame may be carried on the walls at right angles to the hinged wall, as long as the position of the pivot for the swinging garment supporting frame remains adjacent the hinged wall. The two constructions are, therefore, obvious mechanical equivalents, and there is no justification for a court of equity to rely upon hair splitting distinctions.

We urgently beg this Honorable Court to carefully consider the Supreme Court case of *Sanitary Refrigerator Co. vs. Winters*, 280 U. S. 30, wherein it was stated in a case involving a latch:

“The only differences are that in the Dent latch the keeper has on the inner or door side of the triangular head a lug projecting inwardly toward the latch lever; and the upper arm of the latch lever is

a short inclined cam placed at the pivot of the latch lever, and so constructed and at such an angle that it rides upon and contacts with the lug on the side of the keeper head, *instead of with its upper curved side as in the Winters and Crampton structure.* * * *

“Despite the changes in the Dent latch from the Winters and Crampton structure we find that the two devices are substantially identical, operating upon the same principle and accomplishing the same results in substantially the same way and that the slight change in the form of the Dent latch is merely a colorable departure from the Winters and Crampton structure. * * *

“Authorities concur that the substantial equivalent of a thing, in the sense of the patent law, is the same as the thing itself so that if two devices do the same work in substantially the same way, and accomplish substantially the same result, they are the same even though they differ in name, form or shape. * * *

“A close copy which seeks to use the substance of the invention, and, *although presenting some change in form and position*, uses substantially the same devices, performing precisely the same offices and with no change in principle, constitutes an infringement. *Ives vs. Hamilton*, 92 U. S. 426, 430. And even where in view of the state of the art the invention must be restricted to the form shown and described by the patentee and cannot be extended to embrace a new form which is a substantial departure therefrom, it is, nevertheless, infringed by a device in which there is no substantial departure from the description in the patent but a mere colorable departure therefrom.” (Italics added)

There could be no more colorable departure from a patented structure than the mere shifting of a corner bracket support from one wall adjacent the corner to the other wall adjacent the corner. *No possible change in function or result could come from such shifting of the bracket support.*

However, all that the infringers have done is to adopt one of the modified showings of the patent in suit, as is clearly indicated by Fig. 6 therein. (R. p. 456) This figure clearly shows that the patentee had in mind the obvious alternative, used by the defendants, of connecting the bracket support to *either* wall adjacent the corner. It is felt that this Court must have overlooked this particular showing in the patent in suit, and possibly it was not called to the Court's attention because no one anticipated that the case would be decided on any such point. Fig. 6 of the Shoemaker patent illustrates the additional feature of being able to slide the pivot pins upwardly in the slots 18 of the *side wall brackets*. This does not, however, change the effect of the showing on the present petition for rehearing, because when the frame is in the position of Fig. 6 it is supported in the same manner and on the same walls as used by the infringers. In the Shoemaker specification, page 2, lines 29, et seq. (R. p. 463), it is stated with respect to the various methods of hingedly connecting the frame:

“I do not wish to be limited in the means or manner whereby the base portion 16 of the supporting member 12 is hingedly or pivotally connected in the relationship to the cover 10. In Fig. 2 I have shown hinges 17, which provide an equivalent means for hinging the base portion 16 relative to the cover 10. In Fig. 5, (of which Fig. 6 is an enlarged detail) I have shown guide plate 18 *carried on the inner faces of the opposite sides forming the cover 10*. These guide plates are provided with a longitudinal slot 19 in which the ends of the pins 20 may be moved. In this particular construction, the pins 20 are provided with grooves adjacent their free ends and the ends of the pins are positioned in locked relationship in their respective slots 19 of the guide plates 18, as shown in Fig. 6.” (Matter in parentheses and italics above inserted.)

In its decision this Court stated:

“It is instead a garment supporting member connecting to and supported by the two lateral (unhinged) side walls of the cover portion. No such garment supporting member is described or referred to in any of the claims in suit.”

The above statement, however, it is respectfully urged, is not in accordance with the principles of patent law as enunciated by the Courts because claims, on questions of this character, are always read in the light of the specification and drawings, and the above references to Fig. 6 of the patent in suit clearly show that the infringers' obvious equivalent was contemplated by the patentee as within the scope of his invention, and the use of hair splitting distinctions to relieve such an infringer is not justified by the facts. In its decision this Court also stated:

“In the specification the hinged side wall of the cover portion is called its hinged side.”

In referring to this preferred nomenclature the Court apparently overlooked other statements in the specification, such as the one,

“I do not wish to be limited in the means or manner whereby the base portion 16 of the supporting member 12 is hingedly or pivotally connected in relationship to the cover 10.” (R. p. 463, lines 29 to 33)

In addition to the above, even without the showings of Figs. 5 and 6 of the drawing, and even without the above statement in the specification, the principles of mechanical equivalency would apply to prevent an evasive attempt as apparent as that resorted to in the present case.

File History.

On page 29 of appellees' main brief there is a confusing discussion of the file history, which was presented in an endeavor to impress the Court that the patentee's entire novelty was based on the minor and unimportant difference of extending a corner bracket downwardly to connect with the hinged wall of the case instead of obtaining the identical result by extending the bracket support laterally (without changing the adjacency of the hinge to the hinged wall of the suitcase) as was done by the infringers in this case. (See chart in this petition.)

If this had been the only novelty, no Patent Office would have allowed the patentee's claims because such a minor change will neither support the grant of a patent nor relieve an infringer.

Both the Examiner and Applicant's Attorney Considered the Expressions, "carried by the hinged side of said cover" and "in said cover adjacent the hinged connection" to be Equivalent Ways of Defining the Same Invention.

The portion of the file history stressed by appellees was that in which the Examiner originally objected to the word "relative" in defining the location of the hinge. The Examiner stated, "Relative is ambiguous." As a result of trying to avoid ambiguity applicant used the expression, "carried by the hinged side of said cover" in some claims and the expression, "adjacent the hinged connection" in other claims. The latter is the definition contained in claim 15 of the patent in suit. This claim was not one of those relied upon in the present case because the claim did not bring out in addition to the hinged frame 12 the use of a removable bar such as the bar 30. Inasmuch as both of the

infringers in this case employ the combination of the frame with a removable bar for creating the novel "four-fold," only those claims defining both the swinging frame 12 and the removable bar 30 were relied upon.

Reference to claim 15, however, is pertinent in determining the scope of those claims relied upon with respect to the definition of the mounting for the hinged supporting member. Claim 15 was originally claim 42 (see page 514 of the record), and originally stated merely that the supporting member was mounted anywhere in the cover. On page 527 of the record, in acting on this claim the Examiner stated:

"To be allowable, this claim would have to recite also first that the member is mounted *adjacent* the hinged connection of the lid, and second, that the member extends approximately to the free edge of the lid." (Italics inserted)

The Examiner did not require that the claims state that the supporting member is "carried by the hinged side of the supporting member." He considered the two expressions to be equivalents. In response to this action claim 15 (original claim 42), was amended as indicated by the caret and handwriting in the last line on page 514 of the record of this case. The claim was then allowed.

There is no question, therefore, that the Examiner considered the expressions "carried by," "connected to," and "adjacent" to be equivalent expressions, and likewise to be allowable recitations of the position of the hinge for the swinging garment supporting member 12. This is directly in accord with the patentee's concept, who showed the alternative mechanically equivalent structure in Fig. 6 of his drawing.

CONCLUSION.

It is apparent from the above, that the decision of this Court is in direct conflict with the Examiner's idea of what the invention was, is in direct conflict with the patentee's own idea, and is in direct conflict with the well recognized law of mechanical equivalency as set forth by the Supreme Court in the case of *Sanitary Refrigerator Co. vs. Winters*, 280 U. S. 30, hereinbefore referred to.

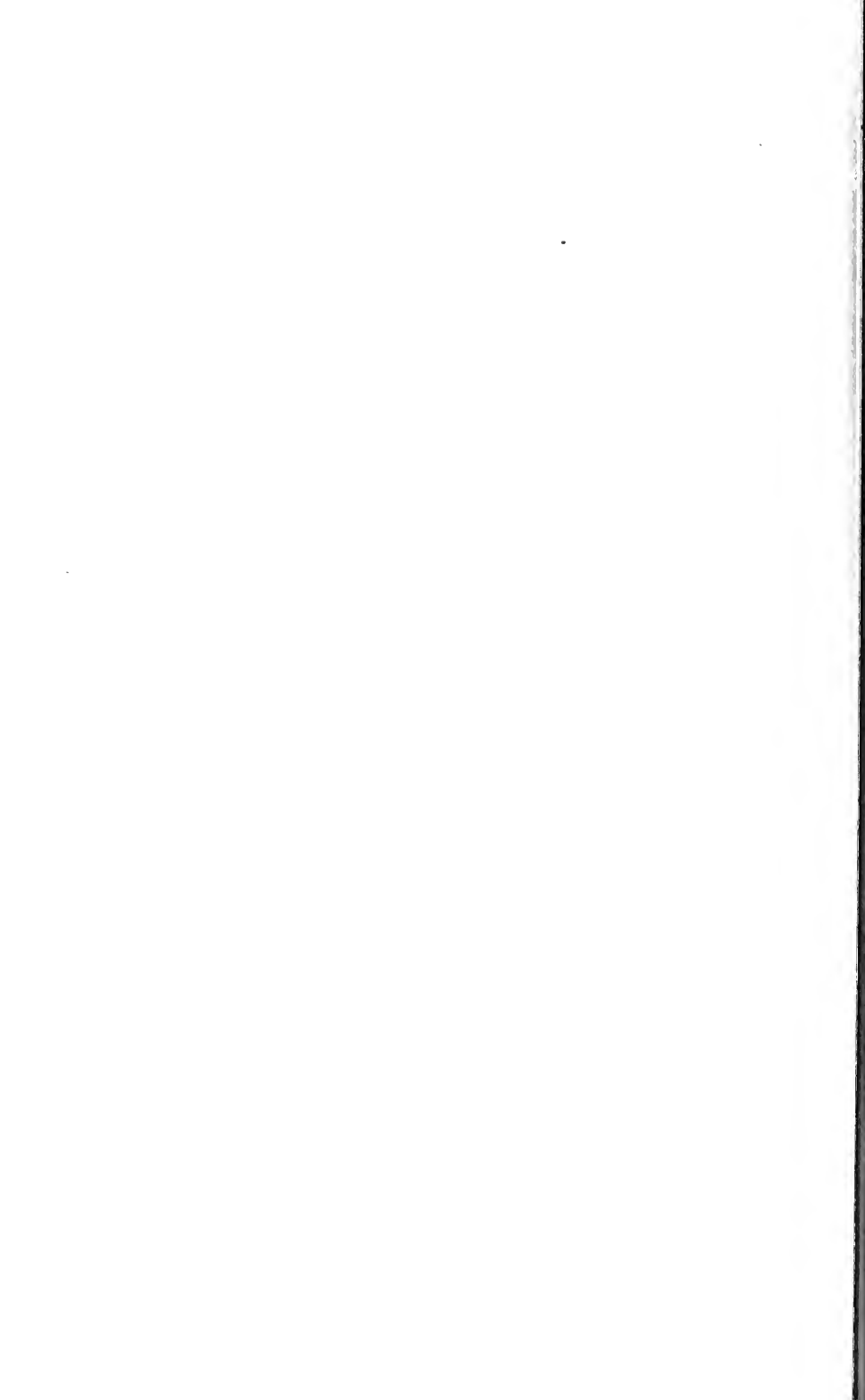
A rehearing is respectfully urged to prevent a miscarriage of justice and to prevent this case from establishing a doctrine in the Ninth Circuit that infringement can be avoided by resorting to obvious mechanical equivalents while obtaining all of the benefits of a patentee's invention.

Respectfully submitted,

ROY C. HACKLEY, Jr. and JACK E. HURSH,
Crocker Building, San Francisco, California,

CURTIS B. MORSELL and ARTHUR L. MORSELL, Jr.,
633 Empire Building, Milwaukee, Wisconsin,
Attorneys for Plaintiff-Appellant-Petitioner.

Milwaukee, Wisconsin
July 17, 1941.



United States
Circuit Court of Appeals

For the Ninth Circuit.

QUAN TOON JUNG,

Appellant,

vs.

R. P. BONHAM, District Director of Immigration
and Naturalization at the Port of Seattle,
Appellee.

Transcript of Record

Upon Appeal from the District Court of the United
States for the Western District of Washington,
Northern Division

FILED

JAN 17 1911



United States
Circuit Court of Appeals
For the Ninth Circuit.

QUAN TOON JUNG,

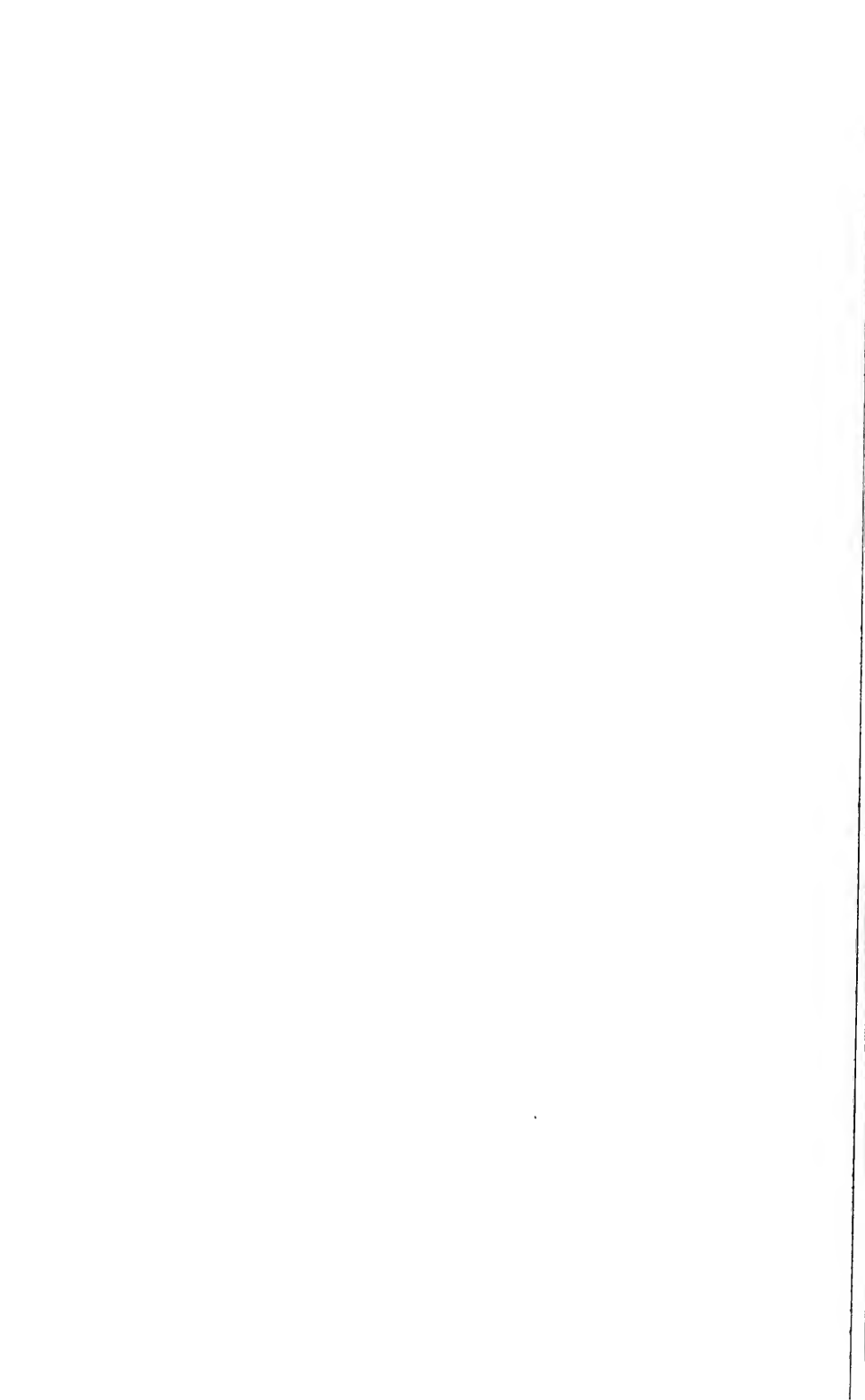
Appellant,

vs.

R. P. BONHAM, District Director of Immigration
and Naturalization at the Port of Seattle,
Appellee.

Transcript of Record

**Upon Appeal from the District Court of the United
States for the Western District of Washington,
Northern Division**



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[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original certified record are printed literally in italic; and, likewise, cancelled matter appearing in the original certified record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in italic the two words between which the omission seems to occur.]

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NAMES AND ADDRESSES OF COUNSEL

FRED H. LYSONS,

709-10 Lowman Bldg.,
Seattle, Washington,
Attorney for Appellant.

J. CHARLES DENNIS,

U. S. Attorney,
and

GERALD SHUCKLIN,

Assistant U. S. Attorney,
1012 Court House Bldg.,
Seattle, Washington,
Attorneys for Appellee. [1*]

In the District Court of the United States for the
Western District of Washington, Northern
Division.

No. 186

In the matter of the Application of

QUAN TOON JUNG

For Writ of Habeas Corpus.

PETITION FOR WRIT.

To the Honorable Judge of the Above Court:

Comes now your petitioner, Quon Toon Jung
and files this his petition for writ of habeas corpus,
and respectfully represents and shows:

*Page numbering appearing at foot of page of original certified
Transcript of Record.

1. That he is a citizen of the United States, being the son of Quan Siew, a native born citizen of the United States.

2. That on or about July 10, 1939, petitioner arrived at the Port of Seattle from China, and then and there applied to the Commissioner of Immigration at said port for admission to the United States, presenting and submitting to the Board of Special Inquiry duly convened for the purpose, testimony and evidence convincing of his said citizenship.

3. That notwithstanding such testimony and evidence proving the said citizenship of your petitioner, and notwithstanding that said testimony and evidence stood and now stands uncontradicted by any material testimony, said Board of Special Inquiry and said Commissioner of Immigration did on or about December 13, 1939, deny his application for admission and made an order rejecting the same and directing that he be deported to China.

4. That said order of rejection and deportation was made without any material evidence to support it, being based wholly and solely upon alleged discrepancies in the testimony in support of petitioner's application for admission.

5. That thereupon appeal was taken by petitioner from said [2] order to the Honorable Secretary of Labor, who with full knowledge of the rights of petitioner as aforesaid, did capriciously and wrongfully, arbitrarily dismiss said appeal and affirm said order of deportation; all in legal disregard of the right of petitioner to admission to the United States as aforesaid.

6. That petitioner is now detained, imprisoned, confined and restrained of his liberty by Honorable Marie A. Proctor as Commissioner of Immigration at said Port of Seattle, said detention, confinement, imprisonment and restraint not being based upon or under any process issued by or any final judgment of a court of competent jurisdiction, nor for contempt of any court or body having competent authority in the premises to commit, or upon a warrant issued from this court or from any court upon any indictment or information.

7. That petitioner has deposited with the said Commissioner of Immigration at the Port of Seattle the sum of one hundred dollars as maintenance charges and expenses pending this proceeding.

Wherefore, your petitioner prays that an order be issued herein directing and commanding the said Commissioner of Immigration aforesaid to be and appear herein on the 18th day of March, 1940, at the hour of ten o'clock in the forenoon of said day, and show cause why a writ of habeas corpus should not issue herein, and to do and receive what shall be then and there be considered concerning this petitioner; and that pending such hearing the said Honorable Commissioner of Immigration be restrained from deporting your petitioner, Quan Toon Jung, upon payment in advance by him of the charges and expenses of his detention.

FRED H. LYSONS,
Attorney for Petitioner. [3]

State of Washington,
County of King—ss.

Quan Toon Jung being first duly sworn on his oath deposes and says: That he is the petitioner named in the foregoing petition; that he has heard the same read, knows the contents thereof and believes the same to be true.

QUAN TOON JUNG.

Subscribed and sworn to before me this February
....., 1940.

FRED H. LYSONS,
Notary Public.

[Endorsed]: Filed Mar. 21, 1940. [4]

[Title of District Court and Cause.]

ORDER TO SHOW CAUSE

Upon reading and filing the petition of Quan Toon Jung for writ of habeas corpus herein, it is made therein to appear that said Quan Toon Jung is wrongfully and unlawfully imprisoned, confined and restrained of his liberty by Honorable Marie A. Proctor as Commissioner of Immigration of the Port of Seattle, in the Immigration Station of said Port, and it appearing that petitioner has deposited the sum of one hundred dollars as and for his maintenance charges and expenses pending this proceeding.

Now, therefore, it is by the Court ordered that the said Honorable Marie A. Proctor as Commissioner of Immigration as aforesaid show cause be-

fore this Court on the 19th day of April, 1940, at the hour of nine o'clock in the forenoon of said day, or as soon thereafter as said petition may be heard, why a writ of habeas corpus should not issue herein as prayed for, and why said Quan Toon Jung should be further restrained and detained; and until the further order of this Court, the said Commissioner of Immigration shall be and she is hereby restrained and enjoined from deporting the said Quan Toon Jung, provided his maintenance and expense charges are paid to said Commissioner in advance.

Done in open Court this March 22, 1940.

LLOYD L. BLACK,
Judge.

Presented by

FRED H. LYSONS,
Atty. for Petitioner.

[Endorsed]: Filed Mar. 22, 1940. [5]

[Title of District Court and Cause.]

RETURN TO ORDER TO SHOW CAUSE

To the Honorable John C. Bowen, Judge.

Comes now the respondent, Marie A. Proctor, as United States Commissioner of Immigration and Naturalization at the Port of Seattle, Washington, and, for answer and return to the Order to Show Cause entered herein, certifies that the said Quan Toon Jung has been detained by this respondent

since the time he arrived from China at the Port of Seattle, Washington, to-wit: July 10, 1939, as an alien Chinese person not entitled to admission into the United States under the laws of the United States, pending a decision on his application for admission as a citizen on his claim of being the foreign born son of a native born citizen of the United States named Quan Siew; that, at a hearing before a Board of Special Inquiry at the Seattle Immigration Station the said Quan Toon Jung failed to present satisfactory proof that he is the soon of his alleged father, and his application for admission into the United States was denied for that reason and (2) on the additional ground that he is an alien ineligible to citizenship not a member of any of the exempt classes specified in Section 13(c) of the Immigration Act of 1924 (8 U. S. C. A. 213); that the said Quan Toon Jung appealed from the said decision of the Board of Special Inquiry to the Secretary of Labor and thereafter the decision of the Board of Special Inquiry was affirmed by the Assistant Secretary of Labor and the said Quan Toon Jung was ordered deported to China; that since the final decision of the Assistant Secretary of Labor, respondent was held, and now holds and detains the said Quan Toon Jung for return to China as an alien Chinese person not entitled to admission into the United States, and subject to return to China under the laws of the United States.

The original record of the Secretary of the Department of Labor, and all exhibits, both on the hearing before the Board of Special Inquiry at Seattle, Washington, and on the submission of the record on appeal to the Secretary of Labor at Washington, D. C., in the matter of the application of Quan Toon Jung for admission into the United States are hereto attached and made a part and parcel of this Return as fully and completely as though set forth in detail.

Wherefore, respondent prays that the petition for a Writ of Habeas Corpus be denied.

(Sgd) MARIE A. PROCTOR.

United States of America,
Western District of Washington,
Northern Division—ss.

Marie A. Proctor, being first duly sworn on oath deposes and says: That she is the United States Commissioner of Immigration and Naturalization at the Port of Seattle, Washington, and the respondent named in the foregoing Return; that she has read the foregoing Return, knows the contents thereof and believes the same to be true.

(Sgd.) MARIE A. PROCTOR.

Subscribed and sworn to before me this 29th day of March, 1940.

(Seal) (Sgd.) D. L. YOUNG,
Notary Public in and for the State of Washington,
residing at Seattle.

[Endorsed]: Filed Apr. 4, 1940. [7]

[Title of District Court and Cause.]

MOTION THAT PETITIONER BE ALLOWED
BAIL

To the Honorable Judge of the above Court:

Comes now your petitioner Quan Toon Jung by Fred. H. Lysons his attorney, and moves that petitioner be admitted to bail herein, and sum and amount to be fixed by the Court.

This motion is made and based upon the fact that under the common and usual procedure followed prior to May 5, 1892, in Chinese immigration cases such as this, application to the Court for writ of habeas corpus was made immediately following denial of admission by the local Departmental authority and without applicant having pursued Department procedure to conclusion through appeal to the Department head in Washington.

FRED. H. LYSONS,
Attorney for Petitioner.

Received a copy of the within Motion this 16 day of Apr., 1940.

J. CHARLES DENNIS,
Attorney for Respondent.

Presented by

FRED. H. LYSONS,
Attorney for Petitioner.

[Endorsed]: Filed Apr. 16, 1940. [8]

[Title of District Court and Cause.]

ORDER DENYING BAIL

This cause having duly come on for hearing before this Court on the 23d day of April, 1940, upon the petitioner's motion and petition that pending hearing on his petition for a writ of habeas corpus he be admitted to bail in a sum and amount to be fixed by the Court, and the Court being fully advised in the premises directed that the motion and petition be denied.

Therefore, it is by this Court ordered and adjudged that the said motion and petition to admit to bail pending hearing and determination of the petition for a writ of habeas corpus be and the same is hereby denied.

Done in open Court this 27th day of May, 1940.

LLOYD L. BLACK,

Judge.

O. K. as to form.

Copy received this 27 day of May, 1940.

FRED H. LYSONS,

Attorney for Petitioner.

Presented by

GERALD SHUCKLIN,

Assistant United States Attorney.

[Endorsed]: Filed May 27, 1940. [9]

[Title of District Court and Cause.]

MOTION FOR REOPENING AND REARGUMENT OF PETITIONER'S MOTION FOR ENLARGEMENT ON BAIL.

To the Honorable Lloyd L. Black, Judge of the above Court:

Comes now your petitioner Quan Toon Jung by his Attorney Fred. H. Lysons and respectfully moves the Court for reopening and reargument of petitioner's motion heretofore presented herein for enlargement on bail.

This motion is made and based upon judicial authority pertinent to the issue, which has come to the attention of counsel since the presentation and argument of the motion, and which counsel feels should be presented and argued in justice to the Court and to petitioner.

FRED. H. LYSONS,
Attorney for Petitioner.

Presented by

FRED H. LYSONS,
Lowman Building.

Received a copy of the within Motion this 30 day of Aug. 1940.

J. CHARLES DENNIS,
Attorney for Respondent.

[Endorsed]: Filed Aug. 30, 1940. [10]

[Title of Cause.]

ORDER DENYING BAIL

Now on this 7th day of October, 1940, Gerald Shucklin, Assistant United States Attorney appearing for the Government, Attorney Fred H. Lysons appearing for the petitioner, this cause comes on before the Court for hearing on motion for reopening and reargument of petitioner's motion for enlargement on bail. Argument is heard thereon. The court states that the denial of the writ heretofore announced is continued in effect. Bail is denied.

The foregoing is a true copy taken from Journal 28, page 28.

* * * * *

Oct. 7, 1940, Denial of writ as heretofore announced is continued in effect. Bail denied.

The foregoing is a true copy of docket entry taken from Civil Docket No. 1, page 186. [11]

* * * * *



[Title of District Court and Cause.]

ORDER DENYING WRIT OF HABEAS
CORPUS

This cause having duly come on for hearing before this Court on the 8th day of November, 1940, upon the Return of the United States Commissioner of Immigration and Naturalization to the Order to Show Cause theretofore entered herein,

the respective parties being represented by Fred H. Lysons for the Petitioner, and J. Charles Dennis and Gerald Shucklin, United States Attorney and Assistant United States Attorney, respectively, for the Respondent, and the Court being fully advised in the premises directed that the Writ of Habeas Corpus be denied.

Now, therefore, it is by this Court ordered, adjudged and decreed that the said Order to Show Cause be, and the same is hereby dismissed. It is also further ordered, adjudged and decreed that the Writ of Habeas Corpus as prayed for be, and the same is hereby denied; provided, however, that the petitioner may, within thirty (30) days, file notice of appeal, and, in the event that appeal be taken, and on condition that the petitioner shall deposit with the District Director of Immigration and Naturalization such sum or sums of money as may be required for said petitioner's maintenance at the Seattle, Washington, Immigration Station during the pendency of said Appeal, deportation shall be stayed pending the determination of said Appeal by the United States Circuit Court of Appeals for the Ninth Circuit, or by the United States Supreme Court should the cause be taken to that court on appeal. [12]

Done in open court this 18th day of November, 1940.

LLOYD L. BLACK,
United States District Judge.

Presented by:

GERALD SHUCKLIN,

Assistant United States Attorney.

O. K. as to form.

Copy received this 16 day of November, 1940.

Attorney for Petitioner,

FRED H. LYSONS,

By E. T. D.

[Endorsed]: Filed Nov. 18, 1940. [13]

[Title of District Court and Cause.]

NOTICE OF APPEAL

To the Honorable R. P. Bonham, District Director of Immigration & Naturalization at the Port of Seattle, and to the Honorable J. Charles Dennis, United States District Attorney for the Western District of Washington:

You, and each of you, are hereby notified that Quan Toon Jung, appellant above named, has appealed and does hereby appeal from that certain order made herein by the above entitled court on the 18th day of November, 1940, denying writ of Habeas Corpus, and from that certain order entered herein October 7, 1940, denying bail to petitioner herein, and from each and every part of said orders and from all rulings and orders in said

cause adverse to appellant to the United States Circuit Court of Appeals for the Ninth Circuit.

(Sgd.) FRED H. LYSONS

Attorney for Appellant.

Due service admitted this Nov. 29, 1940.

J. CHARLES DENNIS

US Attorney

[Endorsed]: Filed Nov. 29, 1940. [14]

[Title of District Court and Cause.]

ORDER ALLOWING APPEAL

Petitioner herein having filed his motion that appeal be allowed him to the United States Circuit Court of Appeals for the Ninth Circuit,

It is by the Court Ordered that the appeal herein be allowed as prayed for.

Done in open Court this 6th day of December, 1940.

LLOYD L. BLACK

Judge.

Presented by
FRED H. LYSONS
Attorney for Appellant

O.K.

J. CHARLES DENNIS

U. S. Attorney

GERALD SHUCKLIN

Asst. U. S. Attorney

[Endorsed]: Filed Dec. 6, 1940. [15]

[Title of District Court and Cause.]

ASSIGNMENT OF ERRORS

Comes now the petitioner and respectfully makes this his assignments of error, in that the Court erred:

- 1) In discharging the rule to show cause herein.
- 2) In ruling that there was evidence before the Board of Special Inquiry that petitioner was not a citizen of the United States and that he was not entitled to admission to the United States as such citizen.
- 3) In holding and ruling that the warrant of deportation issued by the Secretary of Labor was warranted and authorized by law.
- 4) In refusing to hold that petitioner was denied a fair and impartial hearing.
- 5) In holding and deciding that petitioner is not entitled to be enlarged upon bail, and in denying petitioner's application that he be so enlarged and admitted to bail.
- 6) In holding and deciding that the Court is without jurisdiction in this proceeding.
- 7) In denying petitioner's prayer for writ of habeas corpus.

Dated at Seattle, Washington, this 6th day of December, 1940.

FRED H. LYSONS

Attorney for Appellant

Received a copy of the within Assignment of Errors this 11 day of Dec. 1940.

J. CHARLES DENNIS

Attorney for Respondent.

[Endorsed]: Filed Dec. 11, 1940. [16]

[Title of District Court and Cause.]

STIPULATION FOR TRANSMISSION OF
RECORD

It is hereby stipulated by and between the parties hereto that the certified original file and other records of the Department of Labor covering the exclusion and deportation proceedings against petitioner herein which were filed with and made a part of the return of the United States Commissioner of Immigration to the Order to Show Cause may be transmitted with the appellant record herein and may be considered by the United States Court of Appeals in lieu of certified copies of said original file and other records of the Department of Labor.

Dated at Seattle, Washington, this 7th day of December, 1940.

FRED H. LYSONS

Attorney for Appellant

J. CHARLES DENNIS

United States Attorney

GERALD SHUCKLIN

Assistant United States Attorney

Attorneys for Appellee.

[Endorsed]: Filed Dec. 5, 1940. [17]

[Title of District Court and Cause.]

ORDER FOR TRANSMISSION OF RECORDS

Upon stipulation of counsel therefor, it is by the Court

Ordered, that the Clerk of the above-entitled Court transmit with the appellant record in the said cause, the certified original Immigration and other records of the Department of Labor covering and relating to the exclusion and deportation proceedings against Quon Toon Jung which were filed with and made a part of the return of the United States Commissioner of Immigration to the order *the* show cause herein, directly to the Clerk of the United States Circuit Court of Appeals for the Ninth Circuit, in order that the said original Immigration file and records may be considered by the said Circuit Court of Appeals in lieu of certified copies of the same.

Done in open Court this 5th day of December, 1940.

LLOYD L. BLACK

Judge.

Presented by:

FRED H. LYSONS

Attorney for Appellant

OK

J. CHARLES DENNIS

U.S. Atty.

GERALD SHUCKLIN,

Asst. U.S. Atty.

[Endorsed]: Filed Dec. 5, 1940. [18]

[Title of District Court and Cause.]

PRAECIPE OF APPELLANT FOR TRANSMISSION OF RECORD ON APPEAL

To the Clerk of the above entitled Court:

You will please prepare and duly authenticate the transcript and the following portions of the record in the above entitled cause for the appeal of appellant heretofore allowed, for the United States Circuit Court of Appeals for the Ninth Circuit:

- 1) Petition for writ of habeas corpus,
- 2) Order to Show Cause,
- 3) Return to order to show cause,
- 4) Order denying petition for writ of habeas corpus,
- 5) Motion that petitioner be enlarged on bail,
- 6) Order denying bail,
- 7) Application to reargue and grant, motion for bail,
- 8) Court minute entry of October 7, 1940, denying bail,
- 9) Docket entry of October 7, 1940, denying bail,
- 10) Notice of appeal,
- 11) Assignment of errors,
- 12) Stipulation for transmission of record,
- 13) Order for transmission of record,
- 14) This praecipe,
- 15) Order allowing appeal.

FRED H. LYSONS

Attorney for Appellant

Received a copy of the within Paecipe this 6th day of Dec., 1940.

J. CHARLES DENNIS

Attorney for Appellant

[Endorsed]: Filed Dec. 6, 1940. [19]

[Title of District Court and Cause.]

CERTIFICATE OF CLERK TO TRANSCRIPT
OF RECORD ON APPEAL

United States of America,
Western District of
Washington—ss.

I, Millard P. Thomas, Clerk of the United States District Court for the Western District of Washington, do hereby certify that the foregoing type-written transcript of record, consisting of pages numbered from 1 to 19 inclusive, is a full, true and complete copy of so much of the record, papers and other proceedings in the above and foregoing entitled cause as is required by praecipe of counsel filed and shown herein, as the same remain of record and on file in the office of the Clerk of the said District Court at Seattle, and that the same constitute the record on appeal herein from the Order Denying Petition for Writ of Habeas Corpus of said United States District Court for the Western District of Washington to the United States Circuit Court of Appeals for the Ninth Circuit.

I further certify that the following is a true and correct statement of all expenses, costs, fees and charges incurred in my office by or on behalf of the appellant for making and comparing record, certificate or return to the United States Circuit Court of Appeals for the Ninth Circuit.

I further certify that the following is a true and correct statement of all expenses, costs, fees and charges incurred in my office by or on behalf of the appellant for making record, certificate or return to the United States [20] Circuit Court of Appeals for the Ninth Circuit, to wit:

Clerk's fees (Act of Feb. 11, 1925) for prepar-	
ing and comparing 14 folios at 15¢.....	\$2.10
for comparing 21 folios at .05¢.....	1.05
Appeal Fee (Sec. 5 of Act).....	5.00
Certificate of Clerk to Transcript of Record....	.50
Certificate of Clerk to Original Exhibits.....	.50
	—
Total	\$9.15

I hereby certify that the above cost of preparing and certifying the record, amounting to \$9.15 has been paid to me by the attorney for the appellant.

In Witness Whereof, I have hereunto set my hand and affixed the *official* of said District Court at Seattle, this 12th day of December, 1940.

[Seal] MILLARD P. THOMAS,
Clerk,

By: ELMO BELL,
Deputy. [21]

[Endorsed]: No. 9700. United States Circuit Court of Appeals for the Ninth Circuit. Quan Toon Jung, Appellant, vs. R. P. Bonham, District Director of Immigration and Naturalization at the Port of Seattle, Appellee. Transcript of Record. Upon Appeal from the District Court of the United States for the Western District of Washington, Northern Division.

Filed December 16, 1940.

PAUL P. O'BRIEN,
Clerk of the United States Circuit Court of Appeals
for the Ninth Circuit.

In the United States Circuit Court of Appeals
for the Ninth Circuit

No. 9700

QUON TOON JUNG,

Appellant,

vs.

R. P. BONHAM, as Commissioner, etc.,

Respondent.

STATEMENT OF POINTS RELIED UPON

Comes now the appellant, Quon Toon Jung, and through his attorney Fred H. Lysons adopts the assignment of errors heretofore made as his assignment of points to be relied upon on appeal.

Dated December 6, 1940.

FRED H. LYSONS

Attorney for Appellant.

Received a copy of the within Statement of Points this 30 day of Dec., 1940.

J. CHARLES DENNIS

Attorney for Respondent

[Endorsed]: Filed Dec. 31, 1940. Paul P. O'Brien, Clerk. [22]

[Title of District Court and Cause.]

DESIGNATION OF PORTIONS OF RECORD
TO BE PRINTED

Appellant in the above entitled cause respectfully designates that all the record be printed on appeal in this cause.

Dated December 6, 1940.

FRED H. LYSONS

Attorney for Appellant

Received a copy of the within Designation of Record this 30 day of Dec., 1940.

J. CHARLES DENNIS

Attorney for Respondent

[Endorsed]: Filed Dec. 31, 1940. Paul P. O'Brien, Clerk. [23]

No. 9700

7

United States
Circuit Court of Appeals
For the Ninth Circuit

QUAN TOON JUNG,

Appellant,

vs.

R. P. BONHAM, District Director of Immigration
and Naturalization at the Port of Seattle,

Appellee.

APPELLANT'S BRIEF

FRED H. LYSONS,
Attorney for Appellant.

A. W. RICHTER,
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HAMMERSMITH-KORTMEYER CO. MILWAUKEE

FILED

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PAUL P. O'BRIEN,



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United States
Circuit Court of Appeals
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QUAN TOON JUNG,

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Appellee.

APPELLANT'S BRIEF

STATEMENT OF JURISDICTION

It is respectfully submitted that the District Court for the Western District of Washington had jurisdiction, and that this Court has jurisdiction on appeal to review the order of the District Court under:

8 *U.S.C.* 164 (Sec. 41, Subsection 22, Judicial Code).

“Suits under immigration and contract labor laws. Twenty-second. Of all suits and proceedings arising under any law regulating the immigration of aliens, or under the contract labor laws.” (Mar. 3, 1911, c. 231, § 24, par. 22, 36 Stat. 1903).

and

8 *U.S.C.* 286,

also, among others, the following:

Chun Kock Quon v. Proctor, 92 F. (2) 326,
(C.C.A. 9).

La Ha Yuen v. U. S., 85 F. (2) 327, (C.C.A.
9).

Yuen Boo Ming v. U. S., 103 F. (2) 355,
(C.C.A. 9).

STATEMENT OF FACTS

Appellant arrived at Seattle, July 10, 1939 and claimed admission as a citizen through his native born father, Quan Siew.

Father and son testified and were in substantial agreement not only on all the essential facts as to the family relationship, members of the family, dates of birth, and other fundamentals, but as to a great mass of details as to which such accord of testimony could not have existed in the absence of the truthfulness of both.

Denial of admission was motivated largely by the belief of the Board of Special Inquiry that the father had obtained the status citizenship fraudulently, and on the fact that an older brother of appellant had been deported.

The only discrepancy elicited in the entire hearing was based upon alleged statements of the father on a landing sheet made in 1924, which contained under the designation as to his children, three names apparently different from the names of his sons given by himself, on repeated occasions, by appellant and appellant's older brother.

Upon appeal to the Secretary of Labor, the Board of Review affirmed the excluding decision, although recognizing and admitting the prejudice of the Board of Special Inquiry.

The case was reopened and testimony of a Chinese witness as to his acquaintance with appellant was admitted. Upon further hearing, the same Board of Special Inquiry again excluded appellant.

Upon appeal the Secretary of Labor through the Board of Review again affirmed this decision.

ERRORS ASSIGNED

The court erred:

1. In discharging the rule to show cause herein.
2. In ruling that there was evidence before the Board of Special Inquiry that petitioner was not a citizen of the United States and that he was not entitled to admission to the United States as such citizen.
3. In holding and ruling that the warrant of deportation issued by the Secretary of Labor was warranted and authorized by law.
4. In refusing to hold that petitioner was denied a fair and impartial hearing.
5. In holding and deciding that petitioner is not entitled to be enlarged upon bail, and in denying petitioner's application that he be so enlarged and admitted to bail.
6. In holding and deciding that the Court is without jurisdiction in this proceeding.
7. In denying petitioner's prayer for writ of habeas corpus.

APPELLANT'S CONTENTIONS

I.

The decision of the Board of Special Inquiry was the result of such prejudice as to render it invalid under the law.

II.

There is no credible evidence in the light of the whole record upon which the decision of the Board of Special Inquiry can legally rest.

III.

The evidence in any reasonable view of it clearly establishes appellant's derivative citizenship.

IV.

The record clearly presented a case which entitled appellant to the writ of habeas corpus and to his discharge from custody.

ARGUMENT

I.

It is clear from the decisions of the Board of Special Inquiry that the real ground for denial in this case is, that the Board persisted in the belief that the citizenship of petitioner's father was obtained upon perjured testimony, and that he was not a citizen, and upon its belief that the deportation of the older brother in 1932 was practically conclusive of the issue as to petitioner's right to admission.

The summary of the Board of Special Inquiry which amounts to findings and conclusions upon the two hearings in the case (pages 31, 33, 50, 51 of the record) clearly show this. Thus in the first summary August 28, 1939, not only is the first and principal ground of the decision that petitioner's father is not really a citizen, but it is couched in such intemperate language that the very great prejudice is immediately evident. Thus the decision starts by the statement that the native born status of applicant's alleged father, Quan Siew was established by fraud and misrepresentation, and facts are set up from another file purporting to substantiate this statement, and criticism is made of the Central Office for establishing the father's citizenship. It is stated that the Central Office having before it the complete record on June 20, 1921, ordered the Seattle Office to issue a citizen's return certificate to Quan Siew. Therefore, the summary proceeds that the native born status of Quan Siew is conceded. It is evident that the concession is made not only with reluctance, but with the fixed conviction that it is not justified.

In the same connection and indicating likewise the extreme prejudice, there is given a statement of the facts as to the deportation of the elder brother of appellant, Quan Toon Soon, in 1933.

It is apparent from the summary that the alleged ground upon which the decision purports to be based, that is, the inconsistent statement of the father as to the names of his sons in the landing sheet of 1924, is made a part of the decision solely to attempt to provide a plausible reason and basis for it.

Thus the summary, in further display of the prejudice, again resorts to the unjudicial language that petitioner is a fraud and an imposter.

That the decision of the Board was really the decision of the Chairman appears from the fact that immediately upon the close of the hearing the Chairman himself made the motion to exclude. It was complacently joined in by the other two members.

The citizenship of Quan Siew had been established by the Central Office after appeal and upon long and careful study of all the records and the District Director at Seattle had stamped the affidavit sent by the father to this appellant for his use in establishing his identity upon landing as follows:

“November 19, 1938, Citizenship conceded.
Marie A. Proctor.”

It was no function of the Board therefore to even consider the matter of the citizenship of the father, but evidently the stubborn insistence upon the belief in the error of the decision upon this question of citizenship prompted not only the consideration of the matter, but dominated the entire hearing and actually caused the adverse decision.

The Board of Review on the first appeal in its decision of November 6, 1939, clearly recognizes the existence of this prejudice on the part of the Board of Special Inquiry, but seeks to avoid the conclusion that it had a determinative influence by a very novel argument. The Board of Review states that it is unfortunately necessary to comment on the statements contained in the summary, “which appear to have afforded the attorney some occasion for his charging

an attitude of unfairness and prejudice." In this connection the Board of Review also comments upon the statement of the Board of Special Inquiry, the time worn refuge of the Board of Inquiry when a case is very convincing, that the testimony is "coached" with the statement that there appears to have been no warrant or justification whatever for the setting down of these statements by the Board of Special Inquiry. This matter will be treated separately infra. It goes to establish however the contention that is here made that the Board did not act fairly, but was actuated by bias and prejudice based on matters not properly in the record.

The untenable justification to which the Board of Review resorts in sustaining the decision of the Board of Special Inquiry in spite of the manifest bias and prejudice, is the anomalous one that the summary, which is the decision of the Board, was not the act of the Board, but merely of the Chairman. Of course, this is absurd and legally absolutely invalid. The Chairman writes the decision for the Board, and it is the decision of the Board as much as the opinion of this Court, or of any other court, or of any administrative body, written by one of its members, is the decision of the body. Therefore, the prejudice contained in the decision is the prejudice of the Board. This is especially true where the prejudice is manifested in other ways than merely by the decision. Here the Chairman not only was the member who immediately decided the case by making the motion for rejection upon the first hearing, but likewise after the second hearing notwithstanding the rebuke by the Board of Review and its finding of prejudice in his decision again promptly moved for rejection.

Furthermore, the statement of the Board of Review attempting to excuse the prejudice to the effect that the unfairness was not in the hearing and therefore the proceeding did not suffer from it, is not only untenable in itself because it is hardly conceivable that a highly prejudiced and unfair Judge can render a fair decision, but the nature of the questions and the deliberate attempt to catch petitioner, and to drive him into corners where he must make inconsistent statements, which persists throughout the hearing, in instances too numerous to detail here is quite conclusive of the persistence of the prejudice throughout the hearing which only culminated in the decisions. What this Court said in

Chun Kock Quon v. Proctor, 92 F. (2) 326

is particularly applicable here.

“To deliberate in such a mood violated our decisions in *Leong v. United States*, 31 F. (2) 738, and *La Hu Yen v. U. S.*, 85 F. (2) 327, 331.”

The vehement resistance of the Board to the decision of the Central Office on the question of citizenship definitely established the prejudice. Thus in a case where exactly as here the question was the citizenship of the father, and where an elder brother had also been deported, the court in sustaining the petitioner, because of the prejudice of the Board, said:

“This is not fair hearing. It is arbitrary and unreasonable treatment.”

Chin Gin Sing v. Tillinghast, 31 F. (2) 763

citing cases to the proposition that the Board may not as a ground of its decision disagree with the previous determination of the Central Office or the courts.

Here also there was what was characterized by this court in the following language:

“The deliberation of the Board show a complete disregard of the decisions of the Supreme Court and of this court.”

Chun Kock Quon v. Proctor, 92 F. (2) 326, 329.

That the prejudice and unfairness persisted through the second hearing before the Board of Special Inquiry is apparent from the summary after that hearing. The same Chairman made the motion immediately upon the close of the testimony and without consultation with his fellow board members to exclude. He wrote the decision and bases it in part upon a fugitive document no connection with which as to the applicant was established, and which in itself was entirely innocent, but the Chairman further sets up as ground for the decision, the pure conjecture and speculation that there may have been communication with petitioner or other letters smuggled into the Immigration Department Building. And further he indulges in the purely speculative statement that the similarity between the unrelated witness whose testimony was taken upon the reopening and the petitioner is so great that the relationship is much greater than that of a mere witness and the son of a friend. This matter will be referred to *infra* in connection with the other contention of petitioner.

The District Court in this case was satisfied of the prejudice and unfairness of the hearings before the Board of Special Inquiry. It had the case under advisement for some time upon the question of whether it should be re-referred to the Immigration Service

for further hearing. Judge Black says in his written decision with reference to this matter:

“It clearly appears from the special briefs filed in behalf of the petitioner that the petitioner does not desire a rehearing or a supplemental hearing but asks only that the Court grant or deny the writ prayed for.”

Petitioner contended and now contends that, the fact being clear that the attitude of the Board was based on prejudice and bias, the hearing was therefore unfair, and upon this ground alone, petitioner was entitled to the writ and to his discharge. It hardly needs the citation of authority for the proposition that fair hearing is one and the first essential to sustain the decision of the administrative authority, that is, the Board of Special Inquiry. A recent summary by this court of the essentials to the legality of such decision states the law.

Lee Bow Sing v. Proctor, 83 F. (2) 546.

It is submitted that the prejudice and unfairness of the Board of Special Inquiry is apparent from both of its decisions; that it was found to exist by the Board of Review acting for the Secretary of Labor, and that the trial court in this case also found its existence; that there can be no question therefore but that petitioner did not have the fair hearing which is jurisdictional to sustain the administrative decision of the Board of Special Inquiry excluding petitioner. It is no answer to this contention that, as the Board of Review states in its decision, it does not believe that the prejudice and bias played any part in the actual hearing. Certainly, if the tribunal is prejudiced, the decision cannot very well be fair and impartial. The District Judge was therefore rightly convinced that this con-

stituted such defect that the decision could not stand. He was in doubt only on the question as to whether it should result in the granting of the writ and the discharge of petitioner, or in an order for a new hearing before the administrative authority. Of course, the law does not give basis for the idle procedure of requiring another hearing before the same prejudiced tribunal where two hearings have already been had. It is therefore submitted that under the law upon the ground of the first contention of the petitioner the order of the District Court was erroneous, and that the writ should have been allowed and petitioner should have been discharged. Therefore, the order denying the writ of habeas corpus should be reversed, and, inasmuch as petitioner would clearly be entitled to discharge if the writ were issued, he should be discharged by this court.

II.

So far as the question of the basis in the evidence for the decision of the Board of Special Inquiry is concerned, the issue is the very narrow one of whether the landing certificate of September 7, 1924, is a sufficient basis for the denial of admission in the light of the whole record.

The case is singularly free from contradictions and doubts with reference to essential matters and subsidiary facts.

There is no disagreement as to any of the matters which often appear in these cases, such as age of petitioner, physical characteristics and appearance, dialects, place of birth, district from which father and son come, members of the family and numerous other important factors bearing upon the relationship.

The case rests almost entirely upon the evidence of petitioner and his father, one outside witness was presented upon reopening in corroboration of the identity of petitioner.

Since the citizenship of the father has been definitely determined repeatedly by the Immigration Service, and is conceded, only the question of relationship is at issue.

The question is one of credibility and, therefore, the question of corroboration of the testimony of the father and appellant, one by the other, becomes important. They agreed on all the essentials, such as, petitioner's date of birth, village, section and district where he was born, name, identification of all photographs, father's married name, mother's name, village and location of her birth, number of children by first marriage of appellant's father, their ages and residence, children by appellant's father's second wife, their ages, residence and occupation, description of the second wife, place of her birth and its location, name of father's brother, father's parents and place of their burial, mother's father, mother's brother and his son, parents of second wife, their death, brother of second wife, school attended by petitioner, date of death of mother's parents.

The father resides in St. Paul, Minnesota and was examined there. Appellant was examined at Seattle. In addition to the agreement as to all of the essentials, there was substantial agreement between both as to a vast number of details embraced in answers to questions many of which were put to them for the purpose of producing disagreement. Indicative of the attitude of the Board of Special Inquiry is the letter sent to the District Director at St. Paul admonishing him as to searching inquiry to be made of the father. The reply

of the Inspector who conducted the father's examination is to the effect that in spite of a searching examination, he was able to obtain no contradictions of appellant's testimony, except as to the question of the name and birth on the landing sheet in question, and as to a minor question of a part of the house on which there was no disagreement between the witnesses, but merely a misunderstanding as to terminology.

Amongst others, there was entire agreement between appellant and the father as to the following detail facts elicited by the very searching cross-examination: the number of houses in the village where the boy went to school; that the village can be seen from the home village; that the school is like a dwelling house; that the Ng and Wong clan inhabit this village; that the father owns no rice land; there there is no river within two or three lis of their village; that the Ai Lung Market is four lis northwest of their village, and the Low Ah Dui Market is a half li southeast; the home village has four houses in one row, and faces northeast; their home is second from the front end; it is a two story brick house, having two kitchens, two bedrooms, a living room or parlor, tile floors and stairway in each kitchen; no inside windows, a built in stove only in the small kitchen; the smoke goes out of the chimney in the wall.

As against this consistent testimony corroborative upon all the essentials as well as a vast number of details, there is set up by the Board of Special Inquiry only the alleged discrepancy or contradiction claimed to exist in the landing certificate of the father made on his return from China, September 7, 1924. There is no such contradiction, if the exhibit is reasonably construed with the slightest attempt at reconciliation with the other testimony.

The 1924 landing sheet is a fragmentary document evidently written in haste, in pencil, in part almost illegible, incomplete and bearing all the earmarks of having been prepared without care.

The first time that Quan Siew testified as to his family was in Norfolk, Virginia, July 20, 1921, upon his application for a return certificate. He stated that he had a wife and one son, Quan Sang, six years old. He returned from this trip to China on September 7, 1924, and the landing certificate in question was made at Seattle. It is on the usual printed form, the answers legible with difficulty, does not indicate what was asked, and from the answers indicates that complete information was either not demanded or at any rate not obtained. Thus the landing sheet inquires as to the children, the answer was four sons. It further inquires names and dates of birth. Although the statement is, that he had four sons, only three names appear and three dates of birth in answer to the latter questions. The names were given as follows:

Quan Gun, age 3, male, birthdate R 10-4-15 (May 22, 1921)

Quan Gee, age 2, male, birthdate R 12-5-1 (June 14, 1923)

Quan Lai, age 1, male, birthdate R 13-7-15 (August 15, 1924)

The summary of the Board of Special Inquiry states that when this information was given to a "competent interpreter" of the Service, the Inspector wrote that it was difficult for Quan Siew to give the dates of birth of his sons, and that it was "questionable" if he had such sons. The zeal of the Chairman again puts in an interpretation upon the fragmentary notations on the

document which is entirely unwarranted. There is nothing to indicate whether an interpreter, or what kind of an interpreter, was present, nor is there anything to show whether the difficulty in giving the dates was with Quan Siew or the result of the haste of the interrogator, and the pencil word "questionable" on the document does not indicate at all whether this refers to any difficulty of the witness, or whether the interpreter understood that the witness was not certain of the dates, and was giving approximate answers. Certainly, if the father had been asked as to the name of the oldest son, he would have given the name of Quan Sang and the date of birth which he gave upon his predetermination in 1921.

It is also evident that the document was carelessly prepared and that mistakes in it are ascribable to those who prepared it rather than to the witness from the fact that the age of the first son is given at three years, the birth date is given Chinese Republic, 10-4-15. Of course, this is evidently an error in putting the information on the paper. A boy three years old was born in the eleventh year of the Republic, and not the tenth, and that every Chinese would of course know. Furthermore, the age of the second boy was two years and that of the third boy, one year, that is, the three were a year apart from each other. The date of birth of the two year old boy is given as Chinese Republic 12, and the date of birth of the youngest boy, one year old, is given as Chinese Republic 13. Now, it is inconceivable that a Chinese though he have but a fraction of the ingenuity which the Board of Special Inquiry ascribes to this father, would state that his two year old son was born in the year 12, his one year old son in the year 13, and the three year old son in the year 10. It certainly seems reasonable that he said, 11, 12

and 13 instead of 10, 12 and 13. The American date of birth therefore would be May 22, 1922, instead of 1921 as translated in the decision of the Board of Special Inquiry.

The chief point however is made by the Board of Special Inquiry with reference to the names on this landing sheet. The name for the oldest son of the three is given as Quan Gun. The Board states that this name is entirely different from the name of appellant.

Firstly, this Court, in its long experience with Chinese cases, has come to know that several different attempts at phonetic spelling of the same proper name often occur in the same case, and that it is very common that over a period of years and with different interpreters the English reproduction of the Chinese sounds by English letters, which is all that the purported translation is, is apt to be a quite different spelling. There are numerous instances of this in the present record. For this reason it has been repeatedly stated and it is the general practice of the Washington Board of Review to pay no attention to such discrepancy in the spelling of proper names. Quan Jung and Quan Gun certainly sound sufficiently alike to be an attempt at English reproduction of the Chinese sounds for the same name. Only the attempt to find differences could prompt the definite conclusion that they were not intended to be the same. Furthermore, with the change in the date of birth of this son, as explained above, (evidently the error not of the witness but of the interrogator or of the scrivener) the date would be approximately the same (May 22, 1922, May 27, 1922) as given throughout the various

records over the long period of years from 1924 to 1939 by both the father and appellant. Can it therefore be reasonably said that this name, together with this date of birth, are such a complete contradiction of all the subsequent testimony which is so entirely self-consistent, and so correct and truthful, as to be the basis for this important decision?

However, whether the name as given on the landing sheet for this petitioner was as it appears to be an attempt to state his name as Quan Jung, there is a very reasonable and likely explanation for the other two names, as well as the first name, which appears from the testimony in the record itself. If, as is possible and even likely from the questions which were asked in numerous other instances throughout the record, a general question was put to the father as to his family rather than as to his sons, as such, then it is possible that he was attempting to give the names of his father, his brother and his uncle, which were at that time his only living relatives outside of his children. From other parts of the record it appears that these names correspond with the names in the landing sheet. However, any reasonable interpretation would suggest that there evidently was a misunderstanding rather than any attempt to falsify, and that is the explanation of the father when repeatedly interrogated upon the present hearing with reference to those answers. At any rate the answer with reference to the appellant, the person in question here, is not at all such as to lead to a conclusion of a studied attempt at falsification. Certainly, it is very unreasonable to base upon the phonetic spelling of proper names in one instance the decision of complete deprivation of this appellant's right to enter the country.

A further difficulty in the same matter of phonetic spelling of proper names gives the Board of Special Inquiry another apparent ground upon which to base a so-called discrepancy, which it exaggerates through adverse interpretation to the point of seriousness.

Indicative of the lack of importance of the landing certificate and the information it contained is the fact that when Quan Siew departed on April 16, 1926 for China, and returned on June 5, 1927, he was not asked on either occasion to give the facts with reference to his family. Surely, if the landing certificates are to be considered of such importance as to be decisive of fundamental rights they would be carefully and invariably obtained at each landing. On September 16, 1930, when Quan Siew was again departing for China he stated that his wife Tow Shee had died in 1925; that he had four sons, and he gave the name of the second son as Quan Toon Heung and the date of his birth C.R. 11-5-1, May 27, 1922. The third son was named as Quan Toon Jon, birth C.R. 12-6-1, July 14, 1923, and the fourth son as Quan Toon Ham, birth C.R. 13-7-15, August 15, 1924. The names Jung and Heung are so clearly idem sonans that the suggestion would seem to be evident that they are likely to have been the translation of the same sound of the Chinese. Yet the Board of Special Inquiry, without the least attempt at reconciliation, but with the contrary effort to produce a contradiction, states that they are entirely different names.

There was some confusion in the questions and answers upon this occasion as appears from the fact that while the names of the sons are given substantially the same, at least so far as phonetic spelling usually re-

produces them, and the dates as given correspond to the testimony throughout the subsequent records and examinations, besides the fact that the name of this petitioner upon that occasion is spelled "Heung" instead of "Jung," the name of the third son, Quan Toon Ham or Quan Tung Hem, as it is sometimes spelled in the record, is given as the name of the fourth son, whereas, he was really the third son, and was born C.R. 12-6-1, July 14, 1923, the same date given by all the witnesses in the various examinations throughout the record. The third son is named as Quan Toon Jon. Evidently, a transposition of the fourth son Quan Toon Heung, the date of birth for this son is given as C.R. 12-6-1, July 14, 1923, the same as it appears in numerous instances uniformly in all the examinations throughout the record.

In addition to the difficulty in the phonetic spelling of the names, it is evident that there was some error in the position of the names with reference to the particular dates of birth, but there is nothing that would indicate that Quan Siew did not either correctly give the names and dates of birth, or that if he did not, that there was anything more than a slight mistake in the order in which he named them, readily explainable when the difficulty of the language and the need of translation, together with the lack of education of the witness is taken into consideration.

Quan Siew testified again as to his family when he departed for China in 1931, and again when he returned in 1932, and in both instances, the names of the children, and the dates of birth are the same as those which he gives upon the examination in the present record, as well as those given by the appellant here.

Therefore, it appears from the record that in every single instance of formal examination under oath, by question and answer, in a regular proceeding, with the exception of the transposition of the names in 1930, the only instance in which a name which might be interpreted as being different from the name of appellant as now given by appellant and his father, was given is in the least reliable of all the documents in which the names appear, that is, the landing sheet of 1924.

However, upon this claimed contradiction the Board of Special Inquiry bases a conclusion not of excusable mistake, lack of memory or other understandable shortcoming, but of a deliberate cleverly concocted plot to bring in non-existent sons into the United States, that is, it is the theory of the Board of Review that in 1924 Quan Siew conceived a scheme to some time in the future bring to the United States three Chinese not his sons, and that therefore he gave fictitious names upon this landing sheet.

Not only is it inconceivable that if such a plot was conceived that it would not be carried out by the very easy method of using the same names which were then given, but in the light of all the other testimony not alone as to the names and dates of birth of the six children, four by the first wife, and two by the second, as well as the mutual corroboration as to all essential facts which would be in the knowledge of the father and the son, and as to the almost infinite number of details as to which questions could hardly have been anticipated, it is little less than preposterous to predicate a conclusion of a long standing plot upon this unsatisfactory evidence of the landing sheet.

Nevertheless, the Board of Special Inquiry in spite of the convincing character of the mutually corrob-

rative evidence, comes to the conclusion, in accordance with its preconceived notion, that the evidence is all the result of what it calls "coaching." The Board of Review, in accordance with the law repudiates this conclusion, and states that the testimony is free from discrepancy and is thus corroborative of the applicant's claim. It places the decision solely and entirely upon the 1924 landing sheet. It is submitted that in view of the very strongly corroborative testimony, and the conclusion of the Board of Review that it is such, the conclusion based solely on the readily explainable apparent discrepancy upon the landing sheet is far from sufficient to form the basis for the denial of appellant's very important right in a case in which the sole question remaining after the conceded citizenship of the father is the relationship of father and son. That this testimony, consistent as it is, and accepted by the Board of Review, is so corroborative of the ultimate fact stated by both father and son, and appearing repeatedly over a period of years in the evidence, that is, the identity and date of birth of the appellant, as to entirely meet appellant's burden to establish the relationship follows from the law as repeatedly expressed in the decided cases.

Weedin v. Lee Fung, 64 F. (2) 48 (C.C.A. 9).

U. S. v. Lee Hung Ding, 22 F. (2) 926 (C.C.A. 2).

Jew Mock v. Tillinghast, 36 F. (2) 39 (C.C.A. 1).

Flynn ex rel Moy You Fong v. Ward, 93 F. (2) 552, (C.C.A. 1).

Louie Poy Hok v. Nagle, 48 F. (2) 753 (C.C.A. 9).

In *United States v. Day*, 45 F. (2) 206,

the court in the course of the decision upon the rule that the agreement on matters of essentials outweighs inconsistencies in one particular, or as to unimportant matters, says:

“It would be pushing beyond the bounds of reason to suppose that Lee Kim (the father) in 1915 concocted a story of a fictitious son to be used 15 years or more later.”

It is certainly just as unreasonable to conclude in the present case, in the face of the consistent testimony as to the essential fact of relationship in repeated and separate hearings over a period of years, that Quan Siew concocted a story in 1924 to bring in a fictitious son in 1939.

The conclusion of the Board of Special Inquiry can stand on no other hypothesis except that a deliberate fraud was concocted in 1924 by putting in names in anticipation of bringing not one but several fictitious sons into the United States. This involves not only an assumption of gross immorality and fraud, but of a cleverly thought out plan for future action which is not warranted either by the evidence of Quan Siew's character nor of his intelligence. Certainly, no such comprehensive assumption would be based upon so slight a fact as the appearance of names different from those now claimed in one document of a series with reference to any other matter arising in a court of law and with respect to litigants in any ordinary lawsuit. The conclusion is so far beyond the realm of reason as to deprive it of that status which it

must have to warrant the sustaining of the decision. Especially in view of the demonstrated prejudice of the Board, and the admission thereof by the Board of Review and the conclusion of the Board of Review as to the credibility of the testimony in view of its lack of discrepancies, it is submitted that the decision based only upon the claimed inconsistency of the 1924 landing sheet cannot be sustained.

By coincidence, the record contains its own impeachment of the reliability of the landing sheet.

Upon the reopening, a disinterested witness, Kong Tin, testified as to his acquaintance with the applicant and the father, and his knowledge as to the relationship. There is attached to the record, the record of Kong Tin, Seattle No. 7032/1049. In it will be found a landing certificate dated February 12, 1937, covering the subject, Kong Tin. There appears in the spaces provided for answers to the questions asked as to the number of children, names and dates of birth, the following:

“Son, Prev. Des.”

There is no further information as to the children, their names or dates of birth. Two pages after this landing sheet in the record, on page 1 of the testimony taken April 20, 1937, Kong Tin describes three sons, two of whom are in the United States, and one in China.

It is evident that no great effort was made to obtain information as to the children. Certainly, this man did not conceal, or have any reason to conceal, any sons whose father he was. Chinese do not conceal sons or claim fewer sons than they have, and there

surely would be no reason in this case why complete information should not be given if it was clearly and definitely asked.

It is evident that the landing sheet has no value as evidence of any kind, and it appears doubtful as to whether the questions were really asked, or whether the applicant really understood them. The statement as to the children looks very much like a statement entered by the Inspector without question, and not the statement of the applicant.

In the same record appears a landing sheet of the same person dated April 17, 1926, on which appears the information that the person has three sons, but the name and date of birth of only one is given. It appears, therefore, that the Service had the information as far back as 1926, that this man had three sons, and yet in 1937 the Inspector was satisfied to enter the misleading information on the landing sheet of that year that he had one son as previously described. Furthermore, the 1926 landing sheet, although disclosing existence of three sons, indicates that the Inspector made no effort to obtain the names or the dates of birth of more than one. This is another instance of the carelessness with which information on the landing sheets is obtained. Surely, papers which apparently customarily are thus carelessly prepared, and in which information is customarily omitted, and no effort made to obtain complete information, cannot possibly serve in justice as any basis for determining the important right of admission or exclusion from the United States.

Thus it appears from these facts, discovered purely by coincidence and which could no doubt be duplicated by many instances if search were made, that the landing sheets have none of the reliability which would

be requisite to make them the basis of serious impeachment of other testimony, let alone the sole basis of decision. These facts are important in view of the situation in the present case that the entire decision is based upon the truthfulness of the information in Quan Siew's landing sheet. Quan Siew's testimony upon repeated occasions stands consistent and unimpeached, and is consistent as to the facts in question, that is, the relationship of the applicant, his name and date of birth, with the testimony of the applicant, and the applicant's brother Quan Toon Soon, except for the question that is claimed to be raised by the 1924 landing sheet which gives different names for three sons, and no information as to the fourth son. It is submitted that in the light of the evidence with reference to the practice in obtaining information upon the landing sheet, it would be a grave injustice to set aside and disregard all of the consistent sworn testimony in the record, merely on account of the defective landing sheet.

In view of the infirmity of the landing sheet of the disinterested witness, as well as in consideration of the unsatisfactory character of these landing sheets in general, the rejection of the testimony of the witness Kong Tin by the Board of Review, is unreasonable. Therefore, there was in addition to the consistent evidence of the father and son the credible evidence of this witness as to the relationship, and it is submitted that the decision after reopening is not entitled to the weight which is necessary in order to sustain it upon appeal. The question as to the difference in the name of the witness as given by appellant, his father, and the witness, is again merely one of phonetic spelling, and is ignored by the Board of Review, although mentioned by the Board of Special Inquiry.

It is submitted that in view of the decision of the Board of Review that the testimony is free from discrepancy and its refusal to follow the Board of Special Inquiry on the trivial points as to proper names, leaves nothing in the record in support of the adverse decision, except the unsatisfactory and unreliable 1924 landing sheet. It is submitted that this cannot be held to outweigh the consistent and persuasive testimony, and that to regard it as doing so is devoid of the application of common sense and reason necessary to sustain the administrative decision.

Gung You v. Nagle, 34 F. (2) 848, 853 (C.C. A. 9).

Go Lun v. Nagle, 22 F. (2) 246.

Damon ex rel Wong Bok v. Tillinghast, 63 F. (2) 710.

Flynn ex rel Chin Shee v. Tillinghast, 56 F. (2) 317.

Young Len Gee v. Nagle, 53 F. (2) 448, 449 (C.C.A. 9).

Chung Pig Tin v. Nagle, 45 F. (2) 484 (C.C. A. 9).

Tsick Wye v. Nagle, 33 F. (2) 226 (C.C.A. 9).

In the light of the whole record, and in view of the absence of contradictions admitted by the Board of Review, it is submitted that a reasonable person could not come to the conclusion of the falsity of all the testimony of appellant, and his father, as to their relationship merely on the basis of the doubtful statements in the 1924 landing sheet.

Wong Kam Chong v. United States, 111 F. (2) 707, (C.C.A. 9).

To reach this conclusion, surely does not fulfill

“Their obligation as enforcers of the Immigration laws to establish citizenship if it exists.”

as stated by this Court.

La Ha Yuen v. U. S., 85 F. (2) 327, (C.C.A. 9).

In view of the fact that the unfairness of the Board of Special Inquiry and its bias and prejudice is found by the Board of Review, the act of the Board of Special Inquiry, in basing its conclusion against the relationship upon the very doubtful evidence of the landing sheet, and in disregarding all the other consistent testimony upon the same subject, certainly makes the decision subject to what this court said in

Wong Cook Chun v. Proctor, 84 F. (2) 763, 765.

“The record shows a failure to exercise their great power ‘under the restraints of the traditions and principles of free Government applicable where the fundamental rights of men are involved regardless of origin or race.’ ”

That the prejudice resulted in the decision and was not innocuous, as the Board of Review believes, is evident from a consideration of the record. Therefore

“The case is an important one showing the continuance of the violations of the ‘fundamental principles of justice embraced in the conception of due process.’ ”

Yuen Boo Ming v. U. S., 103 F. (2) 355, 356.

It is submitted that the fact of the existence of bias and prejudice clearly appears from both decisions of the Board of Special Inquiry, and that in view of the admission that it existed by the Board of Review, the matter is beyond question. Under the law, therefore,

upon this ground standing alone it is submitted that appellant was entitled to the writ and to his discharge.

The hearings before the Board of Special Inquiry not only established the prejudice and unfairness of the Board, but violated the law of this Court in that the conclusion reached was based upon no reasonable view of the evidence, and resulted from the rejection of evidence which could not be rejected upon any reasonable basis, and upon a hypothesis of a plot which could only be the result of suspicion and not of a rational conclusion based upon a question of credibility of the testimony of one witness which could be considered impeached only if the impeaching evidence was interpreted not on a basis of reason and in the light of ordinary circumstances, and in consideration of human frailties, but with the preconceived notion of a fraudulent and vicious state of mind. It is therefore submitted that upon this ground also the decision is in violation of the fundamental rights of appellant, and that the District Court erred in view of its own conclusion that there was prejudice and also in view of the whole record in denying the writ.

It is therefore submitted that the order of the District Court should be reversed and appellant discharged from custody.

Respectfully submitted,

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IN THE
United States
Circuit Court of Appeals
 FOR THE NINTH CIRCUIT

QUAN TOON JUNG,

Appellant,

vs.

R. P. BONHAM,

DISTRICT DIRECTOR OF IMMIGRATION AND
 NATURALIZATION AT THE PORT OF SEATTLE,

Appellee.

UPON APPEAL FROM THE DISTRICT COURT OF THE UNITED
 STATES FOR THE WESTERN DISTRICT OF WASHINGTON,
 NORTHERN DIVISION

BRIEF FOR APPELLEE

FILED

MAR 3 1941

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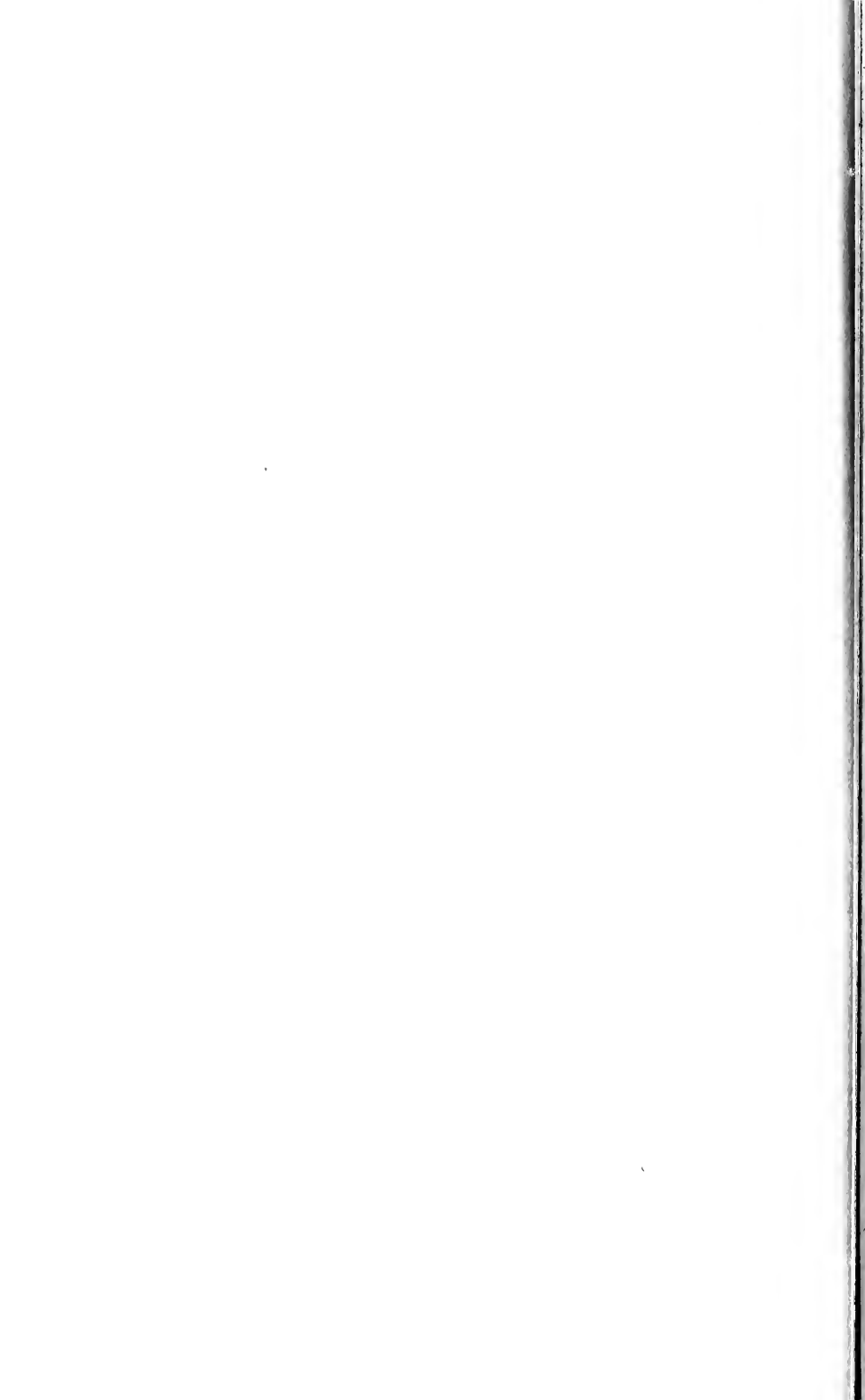
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BRIEF FOR APPELLEE

STATEMENT OF THE CASE

The appellant admits that he was born in China and is a full blood Chinese person. He says that his name is Quan Toon (Tung) Jung and born on a Chinese date corresponding to May 27, 1922. He arrived from China at Seattle on July 10, 1939, and applied for admission into the United States as a citizen thereof by virtue of being a foreign born son of a native citizen of the United States named Quan

Siew. Following the usual hearing prescribed by law in such cases, in which the appellant, his alleged father and an identifying witness named Kong Tin, testified concerning the relationship claimed, his application for admission was denied by a regularly constituted Board of Special Inquiry at the United States Immigration Station, Seattle, on the ground he failed to establish his claim of being a son of his alleged father, and (2) also on the ground that he is an alien ineligible to citizenship not a member of any of the exempt classes specified in Section 13 (c) of the Immigration Act of 1924 (8 U.S.C.A. 213), from which decision he appealed to the Secretary of Labor, Washington, D. C., who dismissed the appeal and directed that the appellant be returned to China. Briefs submitted by appellant's counsel are included in the certified record of the case under the seal of the Secretary of Labor, Exhibit 56016/457. Thereafter, the appellant petitioned the District Court for a writ of habeas corpus alleging that the excluding decision was wrong. After a full hearing the petition was dismissed.

ARGUMENT

CAUSE OF EXCLUSION. The essence of the case is that when the alleged father was given full opportunity to describe all of his children in 1924

he did not include a son corresponding to the name and age claimed by appellant, born prior thereto. A witness testified that when he was last in China he visited the appellant and mother in their home at the suggestion of the alleged father, but when returning to this country in 1938 testified that he had not come in contact with a member of any family of a resident of this country. The alleged father is discredited by reason of attempting to land a contraband Chinese in this country in 1932.

For more than a quarter of a century it has been the established practice of the Immigration Service to question Chinese, when applying for a return certificate and when testifying in behalf of others, concerning their marital status and the names and ages of their children. Likewise it has been the established practice to question Chinese upon return from China as to their marital status and description of their children. In the Seattle district, it has been customary to add only the description of the children born as a result of the trip to China upon return. Chinese in general are familiar with such practice. The courts have uniformly held that when a Chinese has been given full opportunity to name and describe all of his children he is estopped from later landing in this country as his child any child not so claimed.

The reason for the rule is to prevent the landing of contraband Chinese in this country.

CHILDREN OF THE ALLEGED FATHER.

Exhibit 14645/8-8 shows that Quan Siew, the alleged father, returned from China on September 6, 1915, and testified during his examination for admission that he was married but had no children.

Exhibit 7030/630 shows that Quan Siew was examined at Norfolk, Va., February 18, 1921, on his application for a return certificate. He then claimed one child, a son, named Quan Sang (Soon), 6 years of age. He departed for China July 20, 1921, and returned September 7, 1924, when he claimed four sons, three born during said trip, and described as:

Quan Gun, 3, born CR 10-4-15, (May 22, 1921)
 Quan Gee, 2, born CR 12-5-1, (June 14, 1923)
 Quan Lai, 1, born CR 13-7-15, (August 15, 1924)

On April 13, 1926, in being examined for a return certificate, he claimed four sons, but was not questioned as to their names and ages because he previously described four sons as shown in the record. He left for China April 16, 1926, and returned June 5, 1927, when he claimed no additional children. On September 16, 1930, he testified during his examination for a return certificate that he had five sons, in-

cluding one born after he left China, described as:

Quan Toon Soon, 15 years, born in 1915, Chinese date 11-15 (December 21, 1915),

Quan Toon Heung, born 1922, Chinese month 5-1 (May 27, 1922),

Quan Toon Jon, born 1923, Chinese month 6-1 (July 14, 1923).

Quan Toon Ham, born 1924, Chinese month 7-15 (August 15, 1924),

Quan Toon Ying, born 1927, Chinese month 7-29 (August 26, 1927).

He was then asked if he ever had sons named Quan Gun, Quan Gee and Quan Lai, and replied "No." He left for China on September 20, 1930, and returned October 18, 1932, when he claimed five sons and one daughter.

Exhibit 7030/4786 contains the record of Quan Toon Soon, the first alleged son to apply for admission, who arrived October 18, 1932, from China in company with his alleged father. The alleged father testified in the case on October 27, 1932, and described his children as:

Quan Toon Soon, 18 years old Chinese reckoning, born 11th month, 15th day,

Quan Toon Jung, 11, born CR 10 or 11, 5th month, 1st day (June 6, 1921, or May 27 or June 25, 1922),

Toon Hem, 10, born 6th month, 1st day, year unknown,

Toon Heung, 9, born 7th month, 15th day, year unknown,

Tung Ying, 7, born 7th month, 29th day, year unknown,

Tung Yip, 1, born CR 20-6-13 (July 27, 1931).

Thus, it is shown that the alleged father's testimony of 1930 and 1932 concerning the names and ages of his second, third and fourth sons is absolutely different from what he testified to in 1924. Also, Quan Toon Heung was the second son in 1930 but was the fourth son in 1932. Quan Toon Hem was the fourth son in 1930 but was the third son in 1932. If Quan Toon Jon and Quan Toon Jung could be considered as the same name, which is conceded, he was the third son in 1930 and born July 14, 1923, and the second son in 1932 and born June 6, 1921. The alleged father's testimony of 1930 and 1932 is in agreement as to the name and date of birth of the fifth son, Quan Toon Ying. The record shows that the number of children claimed was recorded at each time the alleged father appeared before the immigration authorities.

The aforementioned discrepancies were the principal cause for the exclusion of Quan Toon Soon, the

first alleged son, in 1932. In that case writ of habeas corpus proceedings were instituted by petitioner's present counsel and dismissed by Judge Neterer, District Court No. 20746.

STATUS OF THE APPELLANT. The appellant says that his name is Quan Tung (Toon) Jung and never known by any other name; that he is the second son of his father, and was born CR 11, the first 5th month, 1st day (May 27, 1922), P. 7, 29 of the certified record, Exhibit 56016/457, and is corroborated by his alleged father (P. 17, 19).

It is shown that the alleged father returned from China on September 7, 1924, and then claimed as his second son Quan Gun, born CR 10-4-15 (May 22, 1921), and then did not claim to have a son corresponding to the name and age given by the appellant.

It is submitted that if the alleged father has any sons he should at least know their names and the order in which they were born. It is generally recognized that it is much easier to remember the truth than a falsity. It is very probable in view of the circumstances shown that the alleged father did not have a second, third or fourth son when he returned from China in 1924, and that he then simply laid the foundation to later bring to this country three boys by

giving the names of Quan Gun, Quan Gee and Quan Lai, and could not remember the names when he made the arrangements to bring the appellant to this country.

A Chinese bringing an alleged son to this country is discredited by giving testimony contrary to his previous testimony concerning the number of his children, their order of birth, their names and dates of birth, as is shown in many excluded cases, including the following:

Louie Tin v. Nagle, 9 Cir., 24 Fed (2) 964,
Wong Som Yin v. Nagle, 9 Cir., 37 Fed (2) 893,
Lee Get Nuey v. Nagle, 9 Cir., 53 Fed (2) 209,
Wong Wing Sin v. Nagle, 9 Cir., 54 Fed (2) 321,
Weedin v. Chin Guie, 9 Cir., 62 Fed (2) 351,
Yee Soo Hing v. Proctor, 9 Cir., 86 Fed (2) 397,
Chin Ming Hee v. Proctor, 9 Cir., 97 Fed (2) 901,
Won Ying Loon v. Carr, 9 Cir., 108 Fed (2) 91,

In the Wong Wing Sin case the order of birth of last two alleged sons was reversed. The Yee Soo Hing case also shows that the order of birth of alleged sons was reversed, and it would seem that that case alone is sufficient authority for holding that the excluding order should be affirmed. In the Won Ying Loon case the court said with reference to the witnesses:

“Whether, in testifying as they did, appellant and Won Doo Mo were deliberately lying or were

stating what they honestly believed to be true is, for present purposes, immaterial. Whatever their intentions or beliefs may have been, their testimony was partly, if not wholly, false. Knowing this, and not knowing which part, if any, of their testimony was true, the board was warranted in rejecting it all and holding that appellant's claim that he was Won Ying Loon had not been established."

TESTIMONY OF KONG TIN. Kong Tin was presented as an identifying witness. He testified in the case December 8, 1939 (P. 39-45) and said that prior to making his last trip to China he had conversation with the appellant's father concerning the father's family and possibility of visiting the said family during his proposed trip to China, and that during the latter part of 1937 did visit the father's family and saw four or five children and talked to the appellant and his mother.

Exhibit 7032/1049 relates to Kong Tin and shows that he departed for China on April 24, 1937, and returned February 12, 1938, when he was asked during his brief examination for admission:

"Did you visit any resident of U. S. who happened to be at his home in China during your recent stay, or did you visit the home of any such resident? A. No.

Were you introduced to the son, wife, or daughter of any resident of this country, while in China? A. No."

From the testimony of this witness at the time of his return in 1938, he knew nothing about the alleged visit to the appellant's home, and it is evident that his testimony must have been prepared and arranged for to meet the present emergency. Indeed, he could properly be classified as a "pinch hitter." In *Wong Soo v. Nagle*, 60 Fed (2) P. 682, with reference to such a witness this Court said:

"The facts adverted were sufficient to authorize the board of inquiry to reject the witnesses' testimony as untrue and as having been procured for the purpose of furthering the applicant's case."

In the case of *Mui Sam Hun v. United States*, 9, Cir., 78 Fed (2) 614, two identifying witnesses were presented. The circumstances were somewhat similar. Their testimony was rejected.

THE ALLEGED FATHER IS A DISCREDITED WITNESS. The alleged father of the appellant is completely discredited due to serious discrepancies between his testimony of various years concerning his alleged children, and especially due to the fact that he attempted to land in this country a contraband Chinese as his son who gave the name of Quan Toon Soon in 1932 (Exhibit 7030/4786). The decision in the case of *Quan Wing Seung v. Nagle*, 9 Cir., 41 Fed

(2) 58, consists of but 17 lines, the controlling part reading:

“The record is replete with alleged discrepancies, but in view of the false testimony given by the father in an effort to secure the admission of an alleged son, we can not say that a fair hearing was denied because the immigration authorities did not believe his testimony in the present instant.”

If the testimony of the alleged father and identifying witness is rejected, as it has been, the appellant is left with no evidence to support his claim of relationship. *Wong Ying Wing v. Proctor*, 9 Cir., 77 Fed (2) P. 136; *Weedin v. Ng Bing Fong*, 9 Cir., 24 Fed (2) 821.

TESTIMONY OF WITNESSES: The testimony of the appellant and his two witnesses in the instant case is in good agreement. Chinese in general are familiar with the rules and practice in bringing children to this country, and the alleged father is no exception. It could not be expected that a contraband Chinese would be brought to this country without a course in coaching. However, it has been held that close or a multitude of agreement does not necessarily prove relationship.

Nagle v. Quon Ming Him, 9 Cir., 42 Fed (2) 450,
Weedin v. Yee Wing Soon, 9 Cir., 48 Fed (2) 36,
Haff v. Der Yam Min, 9 Cir., 68 Fed (2) P. 627,

Wong Shong Been v. Proctor, 9 Cir., 79 Fed (2) 881, certiorari denied 298 US 746.

In the last case there was no discrepancy between the witnesses, but there was a discrepancy between the alleged father's prior and later testimony concerning the number of wives.

DECISION OF THE BOARD OF SPECIAL INQUIRY BASED ON PREJUDICE AND UNFAIRNESS. Counsel for the appellant devote several pages (1-11) to an attempt by innuendo and possibilities to show that the decision of the Board of Special Inquiry is based on prejudice, bias and unfairness because the chairman of the Board stated in his summary that the native born status of the alleged father was established by fraud and misrepresentation, (2) because of the exclusion of the appellant's older brother, and (3) because of inconsistent statements of the father.

It is true the chairman of the Board did say in his summary that the native status of the alleged father was established by fraud and misrepresentation and gave his reasons therefor. The chairman based his theory on the contents of Exhibit 14, 645/8-8, which indicates that the alleged father is not a native of this country, and whether the adverse evidence was later cured is merely a matter of opinion.

It will be noted in the same paragraph (P. 31) that the chairman of the Board did concede the alleged father to be a native born citizen of the United States. In *Jung Yen Loy v. Cahill*, 9 Cir., 81 Fed (2) P. 811, the Chinese was by the Immigration authorities held to be a citizen of this country eight times. In *Ex parte Mock Kee Song*, 19 Fed Supp. 743, affirmed in *Mock Kee Song v. Cahill*, 9 Cir., 94 Fed (2) 975, the Chinese was conceded to have been a native born citizen of this country by the Immigration authorities seventeen times. The Court held both were aliens.

The chairman properly took into consideration the creditability of the alleged father who previously conspired to defeat the Chinese Exclusion laws by attempting to land in this country as his son a Chinese named Quan Toon Soon in 1932, Exhibit 7030/-4786. *Quan Wing Seung v. Nagle*, 9 Cir., 41 Fed (2) 58.

It was the duty of the chairman of the Board to take into consideration the discrepancies shown in the testimony of the alleged father of various dates concerning the names and ages of his alleged children.

FOUNDATION. The appellant (P. 22) cites *United States ex rel. Lee Kim Toy v. Day*, 45 Fed (2) 206, N.Y., District Judge Patterson:

“It would be pushing beyond the bounds of reason to suppose that Lee Kim (the father) in 1915 concocted a story of a fictitious son to be used 15 years or more later.”

Such reasoning is certainly not sound.

In the case of *Ng Lin Suey v. Day*, 49 Fed (2) 471, N.Y., District Judge Woolsey, after a three year visit the alleged father returned from China in 1927 and claimed two sons born on said trip named Wah See and Chee Han. The applicant and an alleged prior landed brother testified they knew nothing of their father having such sons, although the applicant did claim he had two younger brothers, of different names and one of them was born after his father left his home in China and came to the United States. The Court dismissed the writ and said:

“This evidence leaves the alleged citizen father in the position of having made a false report on his return in April, 1927 — a curious circumstance which is due doubtless to a desire to lay the foundation for future admissions of other sons, and which throws justifiable doubt on this whole situation.”

The same question was considered in *Ng Kee Wong v. Corsi*, 2 Cir., 65 Fed (2) P. 565, -933:

“if false, the statement can be explained only by the supposition that in 1923 the father had already formed a fraudulent plan to bring in the present applicant.”

The appellant states (P. 23):

“Chinese do not conceal sons or claim fewer sons than they have, and there surely would be no reason in this case why complete information should not be given if it was clearly and definitely asked.”

The alleged father claims a total of six children and that the first five are sons. It is submitted that of all the records considered by the courts with reference to American citizen Chinese fathers and their children born in China, the great majority, or at least 90%, will show that the first five children claimed are sons. See *Ex parte Jew You On*, 16 Fed (2) 153, Judge Bourquin; *Ex parte Wong Tung Dung*, 20 Fed (2) 149, Judge Neterer.

LANDING RECORD. Counsel for the appellant attack the landing record of the alleged father of September 7, 1924, from every conceivable angle (P. 13-22, 24-26), and say that it was prepared in haste without care, written in pencil, in part illegible. The record speaks for itself. It is written in indelible pencil. Counsel do not claim to have more than ordinary ability in reading handwriting, yet do not deny being able to read the entire record. They have failed to show that any part of the answers was not faithfully and properly recorded. It is quite evident that the alleged father was not prepared to state the names

and dates of birth of his alleged children and stumbled when answering. It is reasonable to presume that the examining officials spent considerable time in questioning him and were not satisfied as to the truth of his answers, and consequently noted that the existence of the three sons was questionable and that it was difficult for the alleged father to give dates of birth of the children. If the alleged father was unable to correctly answer the questions that was his misfortune *Kaoru Yamataya v. Fisher*, 189 U.S. 86, 23 Sup. Ct. P. 615.

The general attitude of counsel for appellant is summed up in their conclusion (P. 22) in face of the connivance and conspiracy of the alleged father when he exhausted his efforts in attempting to land the previously mentioned pseudo Chinese in this country in 1932:

“The conclusion of the Board of Special Inquiry can stand on no other hypothesis except that a deliberate fraud was concocted in 1924 by putting in names in anticipation of bringing not one but several fictitious sons into the United States. This involves not only an assumption of gross IMMORALITY and FRAUD, but of a clever thought out plan for future action which is not warranted either by the evidence of Quan Siew’s character nor of his INTELLIGENCE.” (Caps supplied).

“Where law ends, Tyranny begins.”—Wm. Pitt.

FINDINGS AND CONCLUSIONS OF SECRETARY OF LABOR

The findings and conclusions of the local Board of Special Inquiry are shown on pages 30-32 and 50, 51 of the certified record. Exhibit 56016/457. The findings and conclusions of the Board of Review, approved by the Secretary of Labor are shown on the blue sheets in the same record and are quoted in the appendix.

The legal authorities applicable to this case are stated in *Woon Sun Seung v. Proctor*, 9 Cir., 99 Fed (2) 285.

The District Court did not commit error in denying the write of habeas corpus and its decision should be affirmed.

Respectfully submitted,

J. CHARLES DENNIS,
United States Attorney,

GERALD SHUCKLIN,
*Assistant United States Attorney,
Attorneys for Appellee.*

J. P. SANDERSON,
*Immigration and Naturalization
Service. (On the Brief).*

APPENDIX

"56016/457

November 6, 1939.

SEATTLE

In re: Quan Toon Jung, aged 17

Before the Board of Review on APPEAL in EXCLUSION proceedings.

In behalf of APPELLANT: Attorney A. W. Richter, Milwaukee, Wisconsin, heard on September 21, 1939, at which time he also filed a brief.

BOARD: Finucane, Savoretti, Charles, Ebey and Ward.

GROUND^S for exclusion: That the relationship claimed by the applicant to his alleged father has not reasonably been established and that he is an alien ineligible to citizenship and coming to the United States in violation of Section 13 (c) of the Immigration Act of 1924.

MOTION: That the appeal be sustained and the applicant admitted as a citizen, being a son of a native-born citizen of the United States.

Quan Siew, alleged father of the applicant, who was last in China between September, 1930, and October, 1932, has appeared as the only witness to testify on applicant's behalf.

The record shows that the alleged father of the applicant claimed in February, 1921, to have one son, for whom he gave the name of Quan Sang and stated his age to be six. When returning from the trip to China on which he departed shortly after recording that claim the alleged father was recorded on a form

statement dated September 7, 1924, as stating that he had four sons, evidently meaning that in addition to the one son he had previously claimed three sons had been born while he was in China on the trip from which he was then returning. The names and birth dates of these three sons he gave as follows:

Quan Gun, born May 22, 1921, Quan Gee, born June 14, 1923 and Quan Lai, born August 15, 1924.

This appellant, QUAN TOON JUNG, is now claimed to have been born on May 27, 1922. In that September, 1924, statement there appears no claim by the alleged father to have had a son of the name or of a name closely similar to that given by and for this applicant and no son born on the birth date now given by and for this applicant. In September, 1930, when an applicant for a return certificate at Seattle, the alleged father gave the names and birth dates of his four claimed sons as Quan Toon Soon, born December 21, 1915; Quan Toon Heung, born May 27, 1922; Quan Toon Jon, born July 14, 1923; and Quan Toon Ham, born August 15, 1924.

In November, 1932, Quan Toon Soon, the older alleged brother of this present applicant, applied for admission as a son of Quan Siew, the applicant's alleged father. At that time the names and birth dates of the alleged father's four claimed sons by his first wife were given as Quan Toon Son, born December 21, 1915; Quan Toon Jung, born June 25, 1922; Quan Toon Heng born June 14, 1923; and Quan Toon Heung, born June 15, 1924. The applicant Quan Toon Soon was excluded by a vote of the Board of Special Inquiry at Seattle and when his case came before the Department on appeal the appeal was dismissed (55813/733) principally upon the finding that 'It is not to be believed that a father testifying

truthfully regarding his children would so contradict himself at various times as to their names, ages and order of birth, and this feature would seem to discredit him as a witness regarding any claim of family relationship that he might make'. Following the dismissal of that appeal a petition for a writ of habeas corpus was sued out in the District Court of the United States for the Western District of Washington, Northern Division, and while no opinion appears to have been spoken by the court, its action apparently indicated that the order denying that applicant's admission was not arbitrary or capricious and that there had been no unfairness in the hearing. He was, therefore, returned to China in April, 1933.

While the present testimony is free from discrepancies and is thus corroborative of the applicant's claim, in the opinion of the Board of Review no evidence has been presented which is sufficiently strong or persuasive of the bona fides of the case to overcome the very serious adverse evidence in the inconsistent and conflicting prior-record statements which this applicant's alleged father has made in the description of his claimed family and which were thus found to constitute a sufficient reason for the adverse finding in the case of applicant's alleged older brother who applied for admission in 1932 and was returned to China in 1933.

It is unfortunately necessary to comment upon the statements contained in the 'summary by chairman on rejection', in this case which appear to have afforded to the attorney some occasion for his charging an attitude of unfairness and prejudice. It appears to be a fact that although the Board of Special Inquiry conceded the citizenship of this applicant's alleged father so that the only question at issue in the case was the relationship of the applicant to him, yet in the 'summary' there appears the statement 'The

native born status of applicant's alleged father, QUAN SIEW, was established by fraud and misrepresentation', and as to the character of the testimony the statement is made in this 'summary' that 'Applicant is well coached on testimony regarding his alleged father's family and the home village'. There appears to have been no warrant or justification whatever for the setting down of these statements in this 'summary'. However, it is to be noted that this 'summary' formed no part whatever of the hearing and, indeed, was written apparently after the action by the Board of Special Inquiry had been taken and was written, as its title indicates, as the summary not by the Board of Special Inquiry, the lawfully constituted body authorized to conduct the hearing, but as the 'summary' by the chairman acting as an individual after the official action of the Board of Special Inquiry had been concluded. A review of the hearing itself gives no ground whatever for a charge of unfairness and in the circumstances it is not believed that these unfortunate statements made by the person who had officiated as the chairman of the Board of Special Inquiry after the conclusion of the hearing can properly be taken as grounding a charge of unfairness in the hearing.

In view of the adverse evidence in the contradictory prior-record statements of this applicant's alleged father, it is not believed that the applicant's claim to be his son has satisfactorily or reasonably been established.

It is recommended that the appeal be DISMISSED.

(Sgd.) L. PAUL WININGS, *Chairman.*

So Ordered:

C. V. McLAUGHLIN,

The Assistant Secretary of Labor."

"56016/457

February 10, 1940.

SEATTLE

In re: Quan Toon Jung, aged 17

Before the Board of Review on APPEAL in
EXCLUSION proceedings.

BOARD: Savoretti, Ebey and Ward.

In behalf of APPELLANT: Attorney A. W. Richter, Milwaukee, Wisconsin, heard on January 5, 1940, at which time he also filed a supplementary brief. Senator Robert M. La Follette has expressed interest.

The record shows that for the reasons stated in memorandum of November 6, 1939, the appeal of this applicant from denial of admission at Seattle was dismissed, and that on November 16th a stay of deportation was directed and authorization given for the reopening of the case to hear a proposed additional witness.

In his appearance before the Board of Review and in his supplementary brief; submitted since the case was reopened and, after hearing the proposed additional witness, the Board of Special Inquiry at Seattle again voted to exclude the applicant; the attorney has devoted the first and principal part of his argument to an attack upon the previous action of the Department in dismissing the appeal from the original excluding decision by the Board of Special Inquiry.

It is not believed that the attorney has set forth any substantial reason to support his contention that the previous action of the Department was erroneous in its finding that the alleged father's failure in 1924,

upon return from his visit to China, in the midst of which this applicant is now claimed to have been born, to claim a son of name and birth date corresponding with those now given by and for this applicant, constitutes very seriously, if not indeed fatally, adverse evidence. The attorney has, however, called attention to a statement in the Board of Review memorandum of November 6, 1939, in which two comparatively minor and immaterial mistakes were inadvertently made with reference to the testimony given by this applicant's alleged father in November, 1932. This memorandum statement is that the name and birth date of his alleged second son, who this applicant claims to be, were given as "Quan Toon June, born June 25, 1922." The attorney is warranted in saying that the transcription of the testimony given by the alleged father in November, 1932, 'shows no name "June", but gives the name of the second son, Quan Toon Jung', and it is to be regretted that this typographical error passed unnoticed.

As to the apparent difference in birth date between June 25, 1922, as set down in that memorandum statement, and May 27, 1922; the exact fact is that the alleged father spoke of his claimed second son as 'Quan Toon Jung, 11 years old, born C.R. 10 or 11, 5th month, first day' and in answer to the question 'Was he born in C.R. 10 or C.R. 11?' this alleged father stated 'I do not know, he is 11 years old.' As Chinese calculate ages, that statement 'he is 11 years old' would indicate that it was C.R. 11, or 1922, that the son in question was claimed to have been born and 'C.R. 11, 5th month, first day' could be either May 27 or June 25, 1922, since there were two fifth months in that year. Again, it may be said that it is to be regretted that in giving the Western calendar interpretation of the Chinese date as given by the alleged father the two alternative dates were not both set down in this previous memorandum statement.

While the Board of Review unhesitatingly admits these unfortunate mistakes, a reference to the previous memorandum cannot fail to show that the inadvertent making of these mistakes had no determining importance or materiality in the substance of the Board of Review finding or in the action of the Department based thereon.

With the contention of the attorney that the original hearing of the applicant was rendered unfair because of certain statements contained in the 'summary by chairmen on rejection,' which was written after the Board of Special Inquiry hearing had been closed and that Board's decision officially rendered, the Board of Review does not agree.

As to the new evidence presented since the case was reopened: This consists in testimony received on December 8, 1939, from one Kong Tin, an alleged acquaintance of the applicant's alleged father, who was last in China between April, 1937, and February, 1938. He has testified that prior to his departure for China in 1937 this applicant's alleged father gave him the address of his family in China and asked him, if convenient, to visit his family, and that in or about October, 1937, he did visit this alleged father's home and there had this applicant introduced to him by this alleged father's wife. On his return on February 12, 1938, however, this Kong Tin, having been sworn as to the truth of his statements, answered in the affirmative the question whether he understood that the statements he made in reply to the questions following would be used if he should testify before the Service in the future and answered in the negative the questions 'Did you visit any resident of the United States who happened to be at his home in China during your recent stay, or did you visit the home of any such resident?' and 'Were you introduced to the son, wife, or daughter of any resident of this country,

while in China?'. Certainly, it would not seem reasonable to accept testimony given in corroboration of this applicant's claim which rests wholly on the present assertion that this witness visited the alleged father's home in China and was introduced to this applicant in view of that record contradiction of the truth of this present assertion.

It is not believed that any evidence has been presented since the case was reopened which warrants a change in the outstanding decision.

It is, therefore, recommended that the order dismissing the appeal stand.

(Sgd.) RALPH T. SEWARD,
Board of Review,

So Ordered:
TURNER W. BATTLE."



7

United States
Circuit Court of Appeals

For the Ninth Circuit.

CARRIE GATES, CHARLES ELMER GATES
and LLOYD GATES, by his Guardian,
Carrie Gates,

Appellants,

vs.

GENERAL CASUALTY COMPANY OF AMER-
ICA, a corporation,

Appellee.

Transcript of Record

Upon Appeal from the District Court of the United
States for the Southern District of California,
Northern Division.

FILED

JAN 17 1941

PAUL P. O'BRIEN,
CLERK



United States
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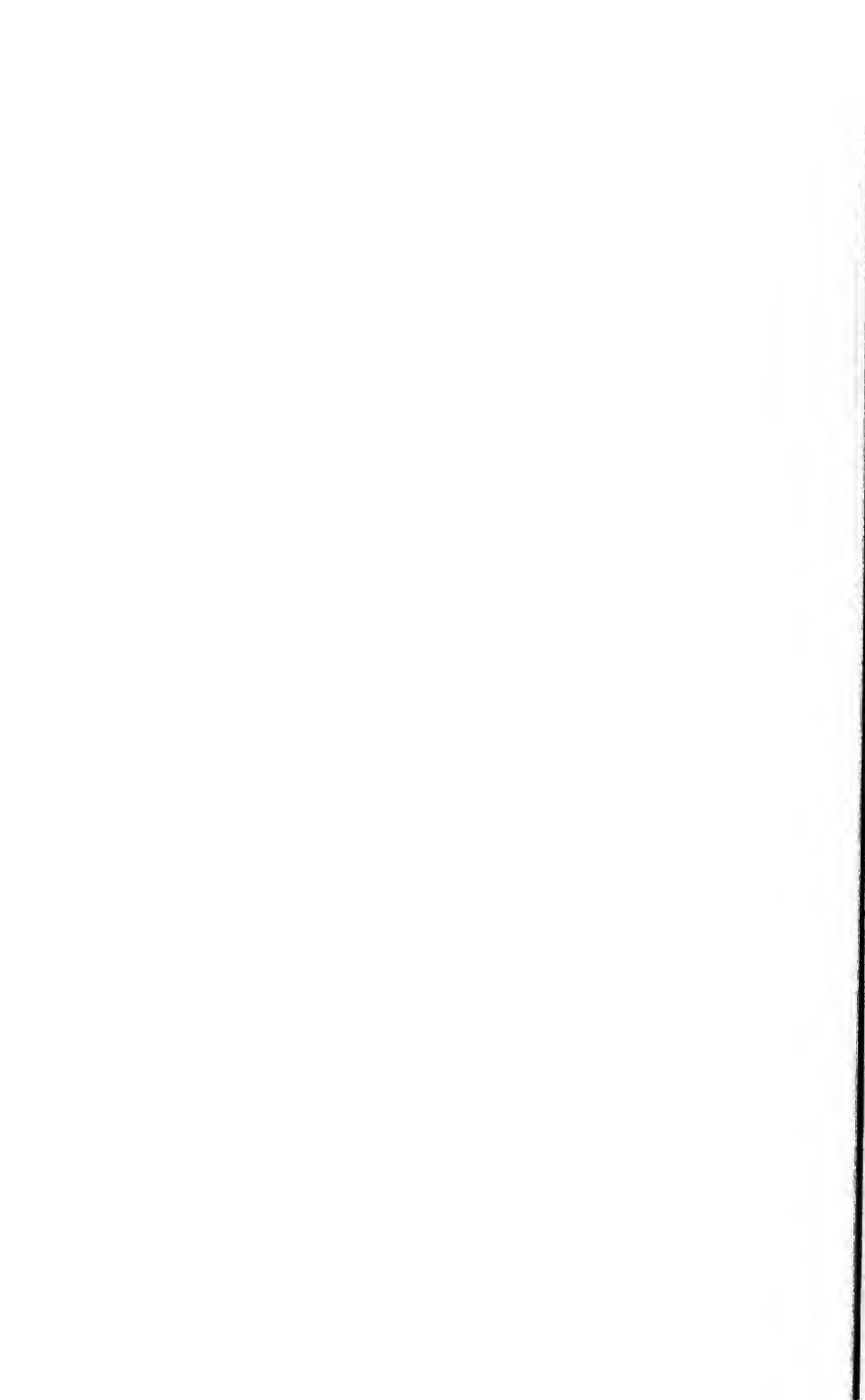
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[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original certified record are printed literally in *italic*; and, likewise, cancelled matter appearing in the original certified record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in *italic* the two words between which the omission seems to occur.]

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NAMES AND ADDRESSES OF ATTORNEYS

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Fresno, California.

For Appellee:

MESSRS. REDMAN, ALEXANDER &
BACON,
JEWEL ALEXANDER, Esq., and
W. C. BACON, Esq.,
315 Montgomery Street,
San Francisco, California. [1*]

In the Superior Court of the State of California
In and for the County of Fresno

No. 58505—Dept. 1

CARRIE GATES, CHARLES ELMER GATES
and LLOYD GATES, by his Guardian,
CARRIE GATES,

Plaintiffs,

vs.

GENERAL CASUALTY COMPANY OF AMER-
ICA, a corporation,

Defendant.

COMPLAINT ON PUBLIC LIABILITY
POLICY

Plaintiffs complain of defendant and for cause
of action allege:

I.

That plaintiff Lloyd Gates is a minor of the age
of 19 years; that on the 20th day of April, 1937,
letters of guardianship of the estate of said minor
were issued out of the above entitled court to Carrie
Gates, who ever since has been and now is the duly
appointed, qualified and acting guardian of the es-
tate of said minor.

II.

That on or about the 2nd day of June, 1934, in
the County of Fresno, State of California, defend-
ant made, executed and delivered to the R. O.
Deacon Lumber Company, a corporation, its certain
policy or contract of indemnity in writing, wherein
and whereby the said defendant insured the said

Deacon Lumber Company for a term beginning at noon on the 2nd day of [2] June, 1934, and ending at noon on the 2nd day of June, 1935, and agreed to pay all sums which the assured should become liable to pay as damages imposed by law for bodily injuries, including death at any time resulting therefrom accidentally suffered or alleged to have been suffered by any person or persons by reason of the ownership, maintenance or use of a certain Moreland truck, Motor No. 119852 and a certain Utility trailer, Serial No. 7486, during the term of said policy and agreed to defend suits for damages brought on account of accidents covered by said policy in the name or on behalf of the assured, and to pay in addition to damages all costs taxed against the suit in any legal proceedings defended by the said defendant and interest accruing upon that part of any judgment rendered in connection therewith, which should not be in excess of the policy limit, which said policy limit was the sum of five thousand dollars (\$5,000.00) for death of or injuries to any one person.

III.

That plaintiffs are the next of kin and heirs at law of Elmer Gates, now deceased.

IV.

That on or about the 20th day of September, 1934, while the said Deacon Lumber Company was engaged in hauling lumber by means of the said truck and trailer, the said Elmer Gates came to his death as a result of the falling of the said lumber there-

from; that on or about the 1st day of November, 1934, plaintiffs commenced an action in the Superior Court of the State of California, in and for the County of Fresno, against the said Deacon Lumber Company and alleged in their complaint in said action that the said Elmer Gates came to his death as a result of the negligence of the said Deacon Lumber Company in the use and operation of the truck and trailer described in said policy of insurance; that the said Deacon Lumber Company notified [3] defendant of said action and requested said defendant to defend said action in the name and on behalf of said assured; that the defendant failed and refused and has at all times failed and refused to defend the said action; that thereafter and on the 20th day of November, 1936, judgment was duly given and rendered in said action whereby it was adjudged that the plaintiffs have and recover, of and from the said Deacon Lumber Company the sum of five thousand dollars (\$5,000.00) damages, together with their costs and disbursements in said action in the sum of two hundred fifteen dollars and three cents (\$215.03) and interest on said damages and costs from the date of the entry of said judgment at the rate of 7% per annum; that thereafter plaintiffs caused an appeal to be taken from the said judgment and on the 27th day of August, 1938, a remittitur was duly filed in the office of the County Clerk of the said Superior Court affirming the said judgment.

V.

That the said judgment has not been paid nor any part thereof.

Wherefore, plaintiffs pray judgment against the said defendant for the sum of \$5,215.03 with interest thereon from the 20th day of November, 1936, to the entry of judgment herein at the rate of 7% per annum and for the costs and disbursements of plaintiffs in this action.

DAVID E. PECKINPAH,
Attorney for Plaintiffs. [4]

State of California,
County of Fresno—ss.

Carrie Gates, being first duly sworn, deposes and says:

That she is one of the plaintiffs in the above entitled action; that she has read the foregoing Complaint and knows the contents thereof; that the same is true of her own knowledge, except as to the matters therein stated on information and belief, and as to those matters that she believes it to be true.

CARRIE GATES

Subscribed and sworn to before me, this 27th day of January, 1939.

(Seal) MOLLY POOLE

Notary Public in and for the County of Fresno,
State of California.

[Endorsed]: Filed May 23, 1939. E. Dusenberry,
Clerk. By L. H. Bendoski, Deputy.

[Indorsed]: Filed Jul. 25, 1939. R. S. Zimmerman,
Clerk. By Edmund L. Smith, Deputy Clerk.

[5]

In the Superior Court of the State of California
In and for the County of Fresno

No. 58505 Dept. 1

CARRIE GATES, CHARLES ELMER GATES
and LLOYD GATES, by his Guardian,
Carrie Gates,

Plaintiffs,

vs.

GENERAL CASUALTY COMPANY OF AMER-
ICA, a corporation,

Defendant.

PETITION OF DEFENDANT FOR REMOVAL
OF CAUSE TO DISTRICT COURT OF
THE UNITED STATES.

To the Honorable, The Superior Court of the State
of California, in and for the County of Fresno:

Your petitioner, the above-named defendant, Gen-
eral Casualty Company of America, a corporation,
respectfully shows to this Honorable Court that the
above-entitled suit was heretofore brought by the
above-named plaintiffs in this Court; that summons
was issued herein and that said summons was served
with a copy of the complaint upon your petitioner
in the County of Los Angeles, State of California;
that the time has not elapsed wherein your peti-
tioner is allowed under the practice and laws of the
State of California and the rules of this Court to
appear, plead, demur or answer to said complaint.

That said plaintiffs were at the time of the commencement of said action, and ever since have been and now are, citizens of the State of California and residents of said State of Cali- [6] fornia; that your petitioner was at the time of the commencement of said action, and ever since has been and now is, a non-resident of the State of California, to-wit: a resident of the State of Washington, and at all of said times was, and still is, a corporation duly organized and existing under and by virtue of the laws of the State of Washington.

And your petitioner further represents that the suit above-entitled is of a civil nature and was brought at common law and pursuant to statute by said plaintiffs for the purpose of recovering more than the sum of Three Thousand Dollars (\$3,000.00), to-wit: to recover the sum of Five Thousand Two Hundred Fifteen and 03/100 Dollars (\$5,215.03), with interest and costs, which plaintiffs allege is owing to them by defendant by reason of the terms of an alleged policy of insurance. That your petitioner denies said liability and disputes said claim. That the matter in dispute in said action exceeds the sum of Three Thousand Dollars (\$3,000.00) exclusive of interest and costs.

Your petitioner further represents that it offers and files herewith its bond with good and sufficient surety, as required by the Act of Congress, that it will enter in the District Court of the United States, for the Northern Division of the Southern District of California, within thirty (30) days from the fil-

ing of its petition for removal, a certified copy of the record in said suit and for the payment of all costs that may be awarded by said District Court of the United States if such court shall hold that such suit was wrongfully or improperly removed thereto; and that your petitioner further desires to remove said cause into the District Court of the United States for the Northern Division of the Southern District of California pursuant to statute in such case made and provided.

Your petitioner therefore prays that this petition and said bond may be accepted by this Court; that said suit may be [7] removed into the next District Court of the United States for the Southern District of California, the Northern Division thereof, pursuant to the aforesaid statute in such case made and provided, and that a transcript of the record herein be directed to be made up as provided by law, and that no further proceedings be had herein in this Court; and for such other and further relief as may be proper.

And your petitioner will ever pray.

GENERAL CASUALTY COMPANY
OF AMERICA

By REDMAN, ALEXANDER &
BACON

Attorneys for Petitioner.

State of California

City and County of San Francisco—ss.

W. C. Bacon, being first duly sworn, deposes and says: That he is an attorney at law and a member

of the firm of Redman, Alexander & Bacon, attorneys for General Casualty Company of America, a corporation, the defendant in the above-entitled action; that he makes this verification on behalf of said defendant for the reason that there is no officer of said defendant corporation present in the city and county wherein its attorneys have their offices; that affiant has read the foregoing petition for removal of cause, and knows the contents thereof, and that the same is true of his own knowledge except as to the matters therein stated upon information or belief, and that as to such matters he believes it to be true.

W. C. BACON

Subscribed and sworn to before me this 22nd day of June, 1939.

(Seal)

DOROTHY H. McLENNAN

Notary Public in and for the City and County of San Francisco, State of California.

[Endorsed]: Filed Jun. 26, 1939. E. Dusenberry, Clerk.

[Indorsed]: Filed Jul. 25, 1939. R. S. Zimmerman, Clerk. By Edmund L. Smith, Deputy Clerk.

[8]

In the Superior Court of the State of California
In and for the County of Fresno

No. 58505—Dept. 1

CARRIE GATES, CHARLES ELMER GATES
and LLOYD GATES, by his Guardian,
Carrie Gates,

Plaintiffs,

vs.

GENERAL CASUALTY COMPANY OF AMER-
ICA, a corporation,

Defendant.

ORDER FOR REMOVAL OF CAUSE TO
UNITED STATES DISTRICT COURT

It appearing that General Casualty Company of America, a corporation, defendant in the above-entitled action, has filed its petition for the removal of this cause to the United States District Court, in and for the Southern District of California, Northern Division thereof, in accordance with the law therefor provided, and said defendant has filed its bond duly conditioned with good and sufficient surety as provided by law, and it appearing to the Court that reasonable notice of said petition and bond has been given to said plaintiff, and that this is a proper cause for removal to said District Court,

Now, Therefore, it is hereby Ordered, Adjudged and Decreed that said petition and bond be, and the same are, accepted and approved, and that this cause be, and it is hereby removed to the United States District Court, in and for the Southern Dis-

trict of California, Northern Division thereof, and the Clerk is hereby [12] directed to make a copy of the record in said cause, duly certified, for transmission to said District Court forthwith, and that no further proceedings be taken in this Court.

Done in Open Court this 26th day of June, 1939.

T. R. THOMSON

Judge of the Superior Court

[Endorsed]: Filed June 26, 1939. E. Dusenberry, Clerk.

[Indorsed]: Filed Jul. 25, 1939. R. S. Zimmerman, Clerk. By Edmund L. Smith, Deputy Clerk.

[13]

In the United States District Court for the
Southern District of California,
Northern Division

No. 30 Civil

CARRIE GATES, CHARLES ELMER GATES
and LLOYD GATES, by his Guardian,
CARRIE GATES,

Plaintiffs,

vs.

GENERAL CASUALTY COMPANY OF AMER-
ICA, a corporation,

Defendant.

ANSWER TO COMPLAINT

Comes now defendant and answering plaintiffs' complaint on file herein, denies and alleges as follows:

I.

Alleges that it has no information or belief upon the subject sufficient to enable it to answer the allegations contained in paragraph I of said complaint, and therefore and [15] placing its denial upon that ground denies each and every allegation in said paragraph contained.

II.

Answering paragraph II of said complaint, defendant admits that on the date alleged it issued to R. O. Deacon Lumber Company, a corporation, by delivering to said corporation's broker at San Francisco, California a policy of automobile liability insurance for the term referred to, which policy included the Moreland truck described, in the amount and for the policy limit set forth in said paragraph and containing substantially the terms therein set forth; except as herein admitted defendant denies generally and specifically, all and singular the allegations of said paragraph; and in this behalf defendant alleges that said policy of insurance was duly rescinded by defendant as hereinafter more specifically set forth.

III.

Alleges that it has no information or belief upon the subject sufficient to enable it to answer the allegations contained in paragraph IV of said complaint, and therefore and placing its denial upon that ground denies each and every allegation in said paragraph contained, except that defendant admits

notice of the accident and the request of R. O. Deacon Lumber Company to defendant to defend the action therein referred to and the refusal of defendant to do so.

IV.

Alleges that it has no information or belief upon the subject sufficient to enable it to answer the allegations contained in paragraph V of said complaint, and therefore and placing its denial upon that ground denies each and every allegation in said paragraph contained. [16]

V.

Further answering said complaint and as a separate defense thereto defendant is informed and believes and therefore alleges that, pursuant to provisions of the California Workmen's Compensation Insurance and Safety Act of 1917 and the Labor Code of the State of California, San Joaquin Light & Power Company, a corporation, perfected a lien in the amount of \$5,250.00 upon the judgment obtained by plaintiffs against R. O. Deacon Lumber Company, and that plaintiffs have not now and did not have at the time of the commencement of the above-entitled action any right, title or interest in and to said judgment upon which the above-entitled action is predicated.

VI.

Further answering said complaint and as a separate defense thereto, defendant alleges that prior to the issuance of the policy of insurance referred to in plaintiff's complaint to the R. O. Deacon

Lumber Company by defendant, specific inquiry was made of said R. O. Deacon Lumber Company by defendant through the broker or agent for the name of its prior insurance carrier and the number and other available information on liability and property damage claims against said R. O. Deacon Lumber Company preceding the application for the insurance policy from this defendant; that upon information furnished by said R. O. Deacon Lumber Company through its broker or agent in San Francisco to defendant, defendant issued the policy referred to in plaintiff's complaint; that in the month of October, 1934 defendant learned for the first time that the statements and information furnished by said R. O. Deacon Lumber Company in response to defendant's specific inquiry regarding prior insurance carriers and the number and other available information on [17] liability and property damage claims against said defendant preceding said company's application to defendant were incorrect and incomplete; and defendant alleges that said R. O. Deacon Lumber Company fraudulently misrepresented the facts to defendant and fraudulently concealed the fact that for a period of time prior to the issuance of defendant's policy said R. O. Deacon Lumber Company was insured with the Metropolitan Casualty Company and that during said time several serious liability claims for personal injuries and a number of property damage claims were made against said R. O. Deacon Lumber Company resulting in substantial losses to said Metropolitan

Casualty Company; and defendant further alleges that had this information been furnished it in response to its specific inquiry prior to the issuance of its policy, defendant would not have issued said policy to said R. O. Deacon Lumber Company; that upon learning of said concealment of facts for which defendant made specific inquiry and upon which it would have determined whether it would issue the policy applied for, defendant immediately rescinded said policy of insurance referred to in plaintiff's complaint and gave notice of rescission thereof to said R. O. Deacon Lumber Company together with the reasons therefor, and returned at said time to said R. O. Deacon Lumber Company the premium and all consideration received by defendant from said R. O. Deacon Lumber Company for said policy.

Wherefore, defendant prays to be hence dismissed with its costs.

REDMAN, ALEXANDER &
BACON

Attorneys for Defendant. [18]

State of California

City and County of San Francisco—ss.

W. C. Bacon, being first duly sworn, deposes and says: That he is an attorney at law and a member of the firm of Redman, Alexander & Bacon, attorneys for defendant in the above-entitled action; that affiant makes this verification for the reason that defendant has no officer or other person authorized

to verify the foregoing answer within the City and County of San Francisco wherein its attorneys have their offices; that affiant has read the foregoing answer, knows the contents thereof and that the same is true of his own knowledge except as to the matters therein stated upon information and belief, and as to such matters that he believes the same to be true.

W. C. BACON

Subscribed and sworn to before me this 17th day of August, 1939.

(Seal) ORAH M. NICHOLS

Notary Public in and for the City and County of San Francisco, State of California.

[Indorsed]: Filed Aug. 19, 1939. [19]

[Title of District Court and Cause.]

STIPULATION

It Is Hereby Stipulated by and between the parties hereto, through their respective counsel, that the above entitled case may be tried before the court without a jury, and a jury is hereby waived.

Dated: October 26th, 1939.

DAVID E. PECKINPAH

Attorney for Plaintiffs.

REDMAN, ALEXANDER &
BACON

Attorneys for Defendant.

[Indorsed]: Filed Oct. 26, 1939. [20]

[Title of District Court and Cause.]

FINDINGS OF FACT AND CONCLUSIONS
OF LAW.

The above-entitled action came on duly and regularly for trial before the above-entitled court, Honorable C. E. Beaumont, judge presiding, without a jury, a jury having been duly waived. David E. Peckinpah, Harold M. Child and L. N. Barber appeared as attorneys for plaintiffs, and Redman, Alexander & Bacon appeared [22] as attorneys for defendant. The matter having been duly heard, submitted, and considered, the Court now makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

(1)

Plaintiff Lloyd Gates is a minor of the age of 19 years; on April 20, 1937, letters of guardianship of the estate of said minor were issued out of the Superior Court of the State of California in and for the County of Fresno to plaintiff Carrie Gates, who ever since has been and now is the duly appointed, qualified, and acting guardian of the estate of said minor.

(2)

On or about June 2, 1934, defendant as insurer made, executed, and delivered to R. O. Deacon Lumber Company, a corporation, as insured, by delivering to said corporation's broker at San Francisco, California, its certain policy or contract of

indemnity in writing, wherein and whereby the said defendant insured the said corporation for a term beginning at noon on June 2, 1935, and agreed to pay all sums which the insured should become liable to pay as damages imposed by law for bodily injuries, including death at any time resulting therefrom accidentally suffered or alleged to have been suffered by any person or persons by reason of the ownership, maintenance or use of a certain Moreland truck, Motor No. 119852, and a certain Utility trailer, Serial No. 7486, during the term of said policy, and agreed to defend suits for damages brought on account of accidents covered by said policy in the name or on behalf of the insured, and to pay in addition to damages all costs taxed against the insured in any legal proceedings defended by said defendant and interest accruing upon that part of any judgment rendered in connection therewith, which should not be in excess of the policy limit, [23] which said policy limit was the sum of five thousand dollars (\$5,000.00) for death of or injuries to any one person; said defendant thereafter rescinded said policy and said contract of indemnity or insurance was thereby extinguished as hereinafter found.

(3)

Plaintiffs are the next of kin and heirs at law of Elmer Gates, now deceased.

(4)

On or about September 20, 1934, while the said R. O. Deacon Lumber Company, a corporation, was

engaged in hauling lumber by means of said truck and trailer, said Elmer Gates came to his death as a result of the falling of the said lumber therefrom; on or about November 1, 1934, plaintiffs commenced an action in the Superior Court of the State of California, in and for the County of Fresno, against the said corporation and alleged in their complaint in said action that the said Elmer Gates came to his death as a result of the negligence of said corporation in the use and operation of said truck and trailer; said corporation notified defendant of said action and requested defendant to defend said action in the name of and on behalf of said insured; defendant refused and at all times has refused to defend said action; on November 20, 1936 judgment was duly given and rendered in said action whereby it was adjudged that plaintiffs have and recover of and from said corporation the sum of five thousand dollars (\$5,000.00) damages, together with their costs and disbursements in said action in the sum of two hundred fifteen dollars and three cents (\$215.03), and interest on said damages and costs from the date of entry of said judgment at the rate of 7% per annum; plaintiffs caused an appeal to be taken from said judgment, and on August 27, 1938, a remittitur was duly filed in the office of the County Clerk of said Superior Court affirming [24] said judgment.

(5)

Said judgment has not been paid; no part of said judgment has been paid.

(6)

Prior to the issuance and delivery of said policy specific inquiry was made of said R. O. Deacon Lumber Company by defendant through the broker or agent for the name of its prior insurance carrier and the number and other available information on liability and property damage claims against said R. O. Deacon Lumber Company preceding the application for the insurance policy from defendant; upon information furnished by said R. O. Deacon Lumber Company through its broker or agent in San Francisco to defendant, defendant issued and delivered the said policy; in the month of October, 1934, defendant learned for the first time that the statements and information furnished by said R. O. Deacon Lumber Company in response to defendant's specific inquiry regarding other insurance carriers and the number and other available information on liability and property damage claims against said R. O. Deacon Lumber Company preceding said corporation's application to defendant were incorrect and incomplete; said R. O. Deacon Lumber Company fraudulently misrepresented the facts to defendant and fraudulently concealed the fact that for a period of time prior to the issuance of defendant's policy said R. O. Deacon Lumber Company was insured with the Metropolitan Casualty Company and during said time several serious liability claims for personal injuries and a number of property damage claims were made against said R. O. Deacon Lumber Company resulting in sub-

stantial losses to said Metropolitan Casualty Company, had said information been furnished defendant in response to its specific inquiry prior to the issuance of said policy, defendant would not have issued or delivered said policy to said R. O. Deacon Lumber Company; upon [25] learning of said concealment of facts for which defendant made specific inquiry and upon which it would have determined whether it would issue the policy applied for, defendant immediately rescinded said policy of insurance and gave notice of rescission thereof to said R. O. Deacon Lumber Company together with the reasons therefor, and returned at said time to said R. O. Deacon Lumber Company the premium and all consideration received by defendant from the said R. O. Deacon Lumber Company for said policy.

CONCLUSIONS OF LAW

From the foregoing findings of fact the Court makes the following conclusions of law:

(1)

Plaintiffs shall take nothing by the above-entitled action.

(2)

Defendant duly and regularly rescinded said policy of insurance, and thereby said contract of insurance or indemnity was extinguished.

(3)

Defendant is entitled to judgment against plaintiffs and each of them for costs of suit incurred herein.

Let judgment be entered accordingly.

Dated: July 15, 1940.

C. E. BEAUMONT

U. S. District Judge.

Approved as to form under Rule 8 of above Court.

Attorneys for Plaintiff

Received a copy of the within Findings of Fact and Conclusions of Law at the Hour of 2:40 P. M. this 23 day of May, 1940.

DAVID E. PECKINPAH

HAROLD M. CHILD

L. N. BARBER

Attorneys for Plaintiffs.

[Indorsed]: Filed Jul. 15, 1940. [26]

In the United States District Court for the
Southern District of California,
Northern Division
No. 30 Civil

CARRIE GATES, CHARLES ELMER GATES,
and LLOYD GATES, by his Guardian,
CARRIE GATES,

Plaintiffs,

vs.

GENERAL CASUALTY COMPANY OF AMER-
ICA, a corporation,

Defendant.

JUDGMENT

This cause came on regularly for trial on the 26th day of October, 1939 before the above-entitled Court, sitting without a jury, a trial by jury having been waived by the parties, Messrs. David E. Peckinpah, Harold M. Child and L. N. Barber appearing as attorneys for plaintiffs, and Messrs. Redman, Alexander & Bacon, by Jewel Alexander, Esq., appearing as attorneys for defendant, and the trial having been proceeded with, witnesses [27] on the part of the plaintiffs and defendant having been duly sworn and examined, and oral and documentary evidence on behalf of the respective parties having been introduced and closed, and the cause having been submitted to the Court for consideration and decision, and the Court after due deliberation having rendered its decision and findings in writing on file herein and ordered that judgment be

entered in accordance therewith in favor of defendant and against plaintiffs;

Wherefore, by virtue of the law and by reason of the premises and findings aforesaid,

It Is Ordered, Adjudged and Decreed that plaintiffs do have and recover nothing of and from defendant and that defendant have judgment against plaintiffs and each of them for its costs of suit incurred herein, amounting to the sum of \$202.54.

Dated: July 15, 1940.

C. E. BEAUMONT

U. S. District Judge.

Judgment entered May....., 1940.

Approved as to form under Rule 8 of above Court.

.....
Attorneys for Plaintiff.

Received a copy of the within Judgment at the hour of 2:40 P. M. this 23d day of May, 1940.

DAVID E. PECKINPAH

L. N. BARBER

HAROLD M. CHILD

Judgment Entered Jul. 15, 1940. Docketed Jul. 15, 1940. C. O. Book 1, Page 141.

R. S. ZIMMERMAN,

Clerk

By R. B. CLIFTON,

Deputy.

[Indorsed]: Filed Jul. 15, 1940. [28]

[Title of District Court and Cause.]

NOTICE OF APPEAL

Notice is hereby given that the plaintiffs hereby appeal to the United States Circuit Court of Appeals for the Ninth Circuit from the judgment rendered in the above entitled action, against the said plaintiffs and in favor of the above named defendant, on the 15th day of July, 1940, and from the whole of said judgment.

Dated: October 9th, 1940.

DAVID E. PECKINPAH,
HAROLD M. CHILD,
L. N. BARBER,
Attorneys for Plaintiffs. [29]

AFFIDAVIT OF SERVICE BY MAIL
C. C. P. 1013A

(Must be attached to original or a true copy
of paper served)
No. 30 Civil

State of California,
County of Fresno—ss.

Dorothy Enos, being sworn, says that she is a citizen of the United States, over 18 years of age, a resident of Fresno County, and not a party to the within action. That affiant's residence (business) address is 431 Brix Building, Fresno, California. That affiant served a copy of the attached Notice of Appeal by placing said copy in an envelope addressed to Redman, Alexander & Bacon,

Attorneys at Law, at his office (residence) address 315 Montgomery Street, San Francisco, California, which envelope was then sealed and postage fully prepaid thereon, and thereafter was on October 9th, 1940, deposited in the United States mail at Fresno, California. That there is delivery service by United States mail at the place so addressed, or regular communication by United States mail between the place of mailing and the place so addressed.

DOROTHY ENOS.

Subscribed and sworn to before me on October 9th, 1940.

(Seal)

MOLLY POOLE,

Notary Public in and for said county
and state.

[Indorsed]: Filed Oct. 14, 1940. [30]

STATEMENT OF TESTIMONY AND PRO-
CEEDINGS IN NARRATIVE FORM

Testimony of

BEN C. STURGES,

Direct Examination

In the months of April, May and June, 1934, I was Assistant Manager of the General Casualty Company stationed at San Francisco. My duties were to supervise the activities of the branch office

(Testimony of Ben C. Sturges.)

and the underwriting. Mr. John Drenth was an insurance broker in San Francisco. He was licensed as a broker in his own name and not connected with the defendant in any way. He approached me with respect to writing coverage on a fleet of trucks owned and operated by, I believe, the R. O. Deacon Lumber Company. He asked if we wrote such lines and what would be our rates, including fleet discount. I advised him that we did write such fleets, coverage on such fleets, and gave him approximately the rates we charged—advised him, however, that we only entertained fleets where the concern had been quite satisfactory in previous years, both as to frequency of accidents and also that we had the full cooperation of the assured as to maintaining that record in the future. I asked him for the names of the previous carriers and he advised me that he would secure that information, but, as he recalled, it was the Maryland Casualty Company and the Madison-Chicago, the latter company having just recently retired from this state. He later advised me that he had this information and that the Maryland Casualty Company had had a satisfactory record, the total claim payments being something like \$58; and that the Madison Insurance Company had had only some trivial claims, not involving any personal injuries, and no accident frequency beyond the normal expectancy. He mentioned no other insurance carrier at that time, claiming that the two companies covered the pe-

(Testimony of Ben C. Sturges.)

riod of several years previous. He submitted a list of the equipment to Mr. Haney, our chief underwriter, and at that time he recited the matters [37] that he mentioned to me previously as to frequency. And so we proceeded to consider the line on the basis of the information he had given us and to rate it accordingly. The policy was issued in due time. Following the accident that occurred in which Mr. Gates lost his life in September of 1934, the report was made by Mr. Munroe of our claim department in which he stated that he had learned, on investigating the claim, that the Metropolitan Casualty Company had been a previous carrier and that their experience has been quite unsatisfactory, both as to frequency of claims as well as the total amount of claims paid. At that time Mr. Haney was the chief underwriter in the San Francisco Branch Office of the defendant company. Mr. Munroe was with the casualty company, the defendant in this action, and was in the claims department. After the accident in which Mr. Gates lost his life, Mr. Munroe came to Fresno to make an investigation, and it was upon his return that I learned these facts that I have testified to about the Metropolitan. If I had known about the Metropolitan before the policy was issued, the risk would not have been accepted. These facts would have been material to the acceptance or rejection of the risk. Prior to the time that Mr. Munroe came back to San Francisco from Fresno the company did not know anything about the Metropolitan Casualty Company being connected

(Testimony of Ben C. Sturges.)
with the R. O. Deacon Lumber Company. It was in San Francisco on October 5th, the date on the paper shown to me, or the day previous, October 4th, that I learned of these facts that Mr. Munroe brought back from Fresno to San Francisco. Upon receiving that information I took up the matter of rescinding the contract. The letter marked Defendant's Exhibit A is a copy of the letter that I sent to the R. O. Deacon Lumber Company.

The said exhibit reads as follows: [38]

DEFENDANT'S EXHIBIT A

San Francisco, California
October, 1934

R. O. Deacon Lumber Company
Lemoore
California
Gentlemen:

Referring to the automobile insurance policy, #A-602550, issued to you by the General Insurance Company of America and General Casualty Company of America on or about the 6th day of June, 1934, effective the 2nd day of June, 1934, we beg to state that we have just discovered that statements and information which you furnished us in response to our specific inquiry, regarding your prior insurance carriers and the number and any other available information on liability and property damage claims against you during the year pre-

(Testimony of Ben C. Sturges.)

ceding your application for our policy, were incorrect and incomplete. We have just learned that for a period of time prior to the issuance of our policy you were insured in the Metropolitan Casualty Company and that during that time several serious liability, and a number of property damage claims, were made against you, resulting in substantial losses to that company. Had this information been furnished us in response to our specific inquiry we would not have issued the above numbered policy to you. Accordingly, because of your concealment and misrepresentation of facts materially affecting the acceptance of this risk, the companies hereby rescind the above numbered policy and return to you herewith the premium of \$245.02, which you paid for the same.

Yours truly,

GENERAL INSURANCE
COMPANY OF AMER-
ICA and GENERAL CAS-
UALTY COMPANY OF
AMERICA

By BEN C. STURGES
Manager

BCS:C

(Testimony of Ben C. Sturges.)

(Witness continuing.)

After sending that to the R. O. Deacon Lumber Company, I received the return registry receipt of the U. S. Post Office. In that letter of October 5th, 1934, I enclosed a cashier's check on the Wells Fargo Bank refunding the entire amount of the premium. In writing the policy I relied upon the information given to me by John Drenth.

“Q. By Mr. Alexander: In that letter of October 5, 1934, what, if anything, did you enclose besides the letter?

A. Enclosed a cashier's check, as I recall, on the Wells [39] Fargo Bank, refunding the entire amount of the premium.

Q. Before getting to the entire amount of the premium, did Mr. Drenth arrange the method of the payment of premium on that policy?

A. He did at the time, a contract, finance contract was signed by Deacon Lumber Company and the customary down payment was made and, I think, two or three payments, monthly payments were made on the contract. This contract was returned at the time with the cashier's check.

Q. Now, let me see. Then, when the policy was issued, the entire premium was not paid?

A. No.”

“Q. By Mr. Alexander: He made a down payment, then, did he? A. He did.

(Testimony of Ben C. Sturges.)

Q. And did he give you a note for the balance?
A. He did.

Q. On October 5, 1934, when you sent the notice of rescission, Defendant's Exhibit A, how much money did you send him back in that letter?

A. I do not recall the exact amount.

Q. I did not mean the exact amount; but having in mind what he had paid in cash to the company, how much did you return?

A. Returned the entire amount of the down payment, as well as the monthly payments which had been made to us.

Q. Am I right, then, that at that time you returned to him in that letter all the money the company had received to that time?

A. We did.

Q. And did you also return the note which he had given for the payment of the premium?

A. We did.

Q. In other words, you returned to him everything the [40] company had received?

A. Yes."

Cross-Examination

I recall seeing the letter marked Plaintiff's Exhibit 2 at a later date following my conversation with Mr. Drenth. I don't remember just what the date was. It was near the date when the policy was written. That was after my first conversation

(Testimony of Ben C. Sturges.)

with Mr. Drenth when he called to place the insurance with us. I would not be able to give you the exact date, I don't think it was a week before the policy was written. I think it was a matter of two or three days. I testified that Mr. Drenth in a conversation with me told me that the Maryland Casualty Company paid a claim. In substance I asked Mr. Drenth concerning the experience of the previous carriers on the line. He said as far as he knew the experience had been satisfactory, that he would secure more definite information later, but he did mention something about the Maryland sustaining some claim around \$58.00, \$53.00 or \$58.00. That was my first conversation with Drenth. He said he would secure further information from the Deacon Lumber Company and submit it to our office. He then submitted the letter designated as plaintiffs' Exhibit 2 along with other information. I do not recall any other letters. Counsel then read

PLAINTIFFS' EXHIBIT 2

as follows:

May 5, 1934

Empire Agency Corporation

231 Sansome Street

San Francisco, California

Gentlemen: Attention: Mr. John Drenth

We note your letter of the 3rd. It should have been answered yesterday but the writer was out of town.

(Testimony of Ben C. Sturges.)

The latter part of September, 1933, one of our trucks had an accident and was completely destroyed. Our insurance was then carried by the Maryland Casualty and this loss cost them too much and they withdrew the coverage shortly after that time. We then placed the insurance through a local agency with the Madison Insurance Company of Indiana. This company recently went through [41] receivership and our insurance is of no value.

Until recently we have been operating more equipment but at present have only one large outfit doing long hauling and some small outfits that haul locally and occasionally do extra work on long haul jobs.

We had one accident of small consequence at Turlock in December during the time Madison carried the coverage. We have not yet been able to find out whether the loss was settled before they failed. There was no damage to our equipment and so far as we could find out only slight damage to that of the other party.

Awaiting your advice on this coverage, we are

Yours truly,

R. O. DEACON LUMBER CO.,

By R. O. DEACON.

(Witness continuing.) I did not have any conversation with Mr. Drenth in reference to the subject matter of this letter that you have just read. The letter was in the office. He delivered the letter to the office and I read it afterwards but not while he

(Testimony of Ben C. Sturges.)

was there. I did not personally, after reading the letter, call Mr. Drenth, and discuss it with him. I had Mr. Haney do it and then we issued the policy. I didn't have any of our Fresno agencies check up on the information contained in the letter that was delivered by Mr. Drenth. It was not a customary procedure. When Mr. Drenth first came there and talked to me about coverage, I told him it was necessary that we have names of the previous carriers, also their experience both as to frequency and as to the severity of losses. I said previous carriers and when we ask for that information, we usually expect the experience for a minimum period of three years, and if the previous experience prior to that time has been unsatisfactory, we wish to know that. Three years is the period that we ask for previous experience. I asked Mr. Drenth for the experience of the previous carriers and that experience is customarily figured three years. In this case, it is not a fact that I asked him for the past year's experience. I saw the letter designated as plaintiff's Exhibit 2, [42] although I didn't discuss the contents at all with Mr. Drenth when it was delivered to my company. When I saw the letter I noticed the first paragraph, where it states, "Gentlemen, we note your letter of the 3rd, it should have been answered yesterday." I remember seeing that. I did not, as the representative of the defendant company, inquire as to what letter he referred to as the letter of the third, or the contents thereof. We never had

(Testimony of Ben C. Sturges.)

that letter in our files. I never got a copy of it or requested a copy of it. The letter that you now show me did not accompany the copy of the letter designated as plaintiffs' Exhibit 2. I have never seen that letter. According to the date only, it would appear that it was subsequent to my original conversation. Mr. Drenth said he would ascertain the information. I did not know whether he had written or he was going to call upon him. He had written. When I saw the letter designated as plaintiffs' Exhibit 2, I knew he had written. I recall only two conversations that I had with Mr. Drenth in reference to this insurance. The second conversation took place probably a week or ten days after I originally discussed the matter with him, in the latter part of April or the first part of May. It might have been around the first or second of May that we discussed it, that is the first conversation. Then I had a second conversation a week or ten days later. I had the first conversation with him previous to May 5, 1934, the date of plaintiffs' Exhibit 2. I don't remember just how many days. The second conversation was some time subsequent to that date. I don't recall just how many days, I would judge within a week. The persons present at the conversation were Mr. Drenth and myself.

“Q. Will you relate the conversation, please, that you had with him, as nearly as you can recall? I mean I want you to tell exactly what

(Testimony of Ben C. Sturges.)

you can remember, but I know you can't repeat [43] it word for word, Mr. Sturges?

A. Well, he stated that he had secured the information from the Deacon Lumber Company, had submitted it to our office, and he stated that the Maryland Casualty Company had had one claim, and small claims in the Madison. That is all I recall was discussed."

There wasn't any further discussion because it had been submitted to our underwriting department. I told him that the underwriting department would review the matter, and then if they reported favorably, the policy would be issued. The list of cars included in the fleet, together with the several coverages were submitted to Mr. Haney. He is the chief underwriter in the office and the correspondence which Mr. Drenth stated that he had received was turned in to our office, so that the two matters were at that time to have consideration. Mr. Haney's duty was to cooperate in the underwriting risks. He was to pass upon the usual lines of business submitted within his authority, and anything that he wished to submit for my consideration, or he deemed it necessary, he did so. If there was any question in his mind in relation to the risk, any risk submitted, he discussed it with me. If there was any material question in his mind, he could investigate. He had the right to and he was expected to. I relied upon him carrying out his duties in reference to any insurance that came into the office, or any

(Testimony of Ben C. Sturges.)

applications that came, and if he struck a knotty problem of any kind, then he was supposed to take it up with me, or if he was uncertain about whether or not to okeh an application, then it was discussed with me. In my first conversation with Mr. Drenth he stated that he understood the line was satisfactory, it had been reported to him as such, and it was at that time I told him that before we could entertain it, we must have the previous carriers' experience in relation to claim experience. He stated he would secure the [44] information from his clients in due time. Counsel for the plaintiff then offered in evidence a copy of a letter dated May 3, 1934, addressed to "R. O. Deacon Lumber Company", with the typewritten signature, "Empire Agency Corporation," initialed "JD:S." The document was received in evidence and marked as plaintiffs' Exhibit 4. A copy appears in the deposition of Mr. John Drenth.

"Q. By Mr. Peckinpah: I show you a document here and ask you if that is the note and contract that you spoke of in your direct examination as having been received, signed by R. O. Deacon, as a payment for premium of the policy? A. It is.

Mr. Peckinpah: I ask at this time it be introduced in evidence as Plaintiffs' Exhibit 3.

The Court: Let it be received and marked Plaintiffs' Exhibit 3."

(Testimony of Ben C. Sturges.)

Redirect Examination

Mr. Drenth did not at any time mention the Metropolitan Casualty Company to me. He didn't at any time tell me that the Metropolitan Casualty Company had a list of accidents. He didn't at any time tell me that the R. O. Deacon Lumber Company Insurance had been carried in the Metropolitan Casualty Company. The only two insurance carriers he mentioned to me were the Maryland Casualty Company and the Madison Insurance Company.

Testimony of

WILLIAM E. HANEY,

Direct Examination

In the year 1934 I was associated with the General Casualty Company of America. I was with that company from about February, 1934, until 1936 around October. I was chief underwriter, stationed in San Francisco. I know Mr. John Drenth. He was an insurance broker with the brokerage firm Empire Agency Corporation. He was not, nor was the agency company connected in any way with the General Casualty Company. Sometime in 1934 I saw Mr. Drenth [45] in regard to the R. O. Deacon Lumber Company line. That was probably the early part of May of 1934. He discussed with me the acceptance of the risk and asked if we would write

(Testimony of William E. Haney.)

a risk of that nature for the R. O. Deacon Lumber Company. He spoke to me personally. I told him that we would consider lines of that nature, but only if the past experience over a period of years had been good, if they had not had many claims or any severe claims, that we would consider it, but it would be absolutely necessary for us to have full information as to their experience for a period of at least three or four years. We call that type of line a commercial fleet line. Mr. Drenth at that time told me that he understood the experience was good. However, he would get the information that we had to have, the accurate information as to the exact experience on that line. I saw him after that time and had a conversation with him about it. The second conversation brought out that the Maryland Casualty Company had been on the line and they, as far as their experience, they had had a small amount of losses, somewhere around \$50.00, \$53.00 in property damage, no public liability losses; they had had their insurance for a short time in the Madison. The losses there were very small but their insurance was useless due to the fact that the Madison had retired.

Q. By Mr. Alexander: I have here some papers that I am showing you—no. I am showing you one paper. It happens to be attached to other papers but not connected. Without disconnecting this paper temporarily—I do not think we will need to—I am showing you a

(Testimony of William E. Haney.)

yellow sheet and ask if you have seen it before?

A. Yes; I have.

Q. And can you tell us when you saw that yellow sheet?

A. Before the policy was written this sheet was given me by Mr. Drenth. [46]

Q. I notice now on one side—it has writing on both sides, has it not? A. Yes, sir.

Q. On one side I see a number of numbers: "1-1A-2-2A-3-4-4A." What are they?

A. They are pieces of equipment operated by the R. O. Deacon Lumber Company.

Q. And on the other side there is written "Maryland". Was anything said about the Maryland? A. Yes, sir.

Q. And I see that after that some words: "No losses." Who wrote that?

A. That was on it when Mr. Drenth gave it to me.

Q. Mr. Drenth gave that to you?

A. Yes, sir.

Q. Now, I notice under that "P. D. claims amounted to only \$53.00 in 3 yrs." "P.D." means property damage? A. That is right.

Q. And "Not a long haul operator." The word "Brandenburg" is there. Do you know what that meant?

A. Mr. Brandenburg is in the Maryland Casualty. He is an automobile underwriter, and it probably meant that he could verify that experience.

(Testimony of William E. Haney.)

Mr. Alexander: I think I will have to take this off. I rather apologize, your Honor, for this lack of formality.

Q. The entire paper, you say, was given to you by Mr. John Drenth before the policy was written? A. Yes, sir.

Q. And was it used by you in making up your mind as to whether to accept or reject that line? A. It was.

Mr. Alexander: We offer this in evidence, your Honor. [47]

The Court: Let it be received in evidence and marked Defendant's Exhibit B.

The Metropolitan Casualty Company was not mentioned to me at any time by Mr. Drenth. I did not at any time prior to the death of Mr. Gates, which was toward the end of September, 1934, know that the Metropolitan Casualty Company had been the insurance carrier for the R. O. Deacon Lumber Company. I didn't know that the Metropolitan Casualty Company had a long list of losses, both property damage and public liability with R. O. Deacon Lumber Company.

Q. By The Court: Mr. Haney, with reference to Defendant's Exhibit B, is this on this side, this list of cars in your handwriting?

A. No, sir.

Q. Do you know whether it is Mr. Drenth's handwriting?

(Testimony of William E. Haney.)

A. I could not say as to that. That paper was given me by him and I don't know whether it was furnished to him by the R. O. Deacon Lumber Company or whether he wrote it.

Q. He gave it to you?

A. He gave it to me.

Q. What about these on the other side?

A. That was on there.

Q. That was all on?

A. That was all on there.

Q. The word "Brandenburg", was that on there, too?

A. As I recall it, your Honor, it was, but I could not swear to that. I am not sure as to that.

Q. The words "Madison-out" seem to be crossed out with a line there. Do you know anything about that? A. No, sir.

Q. Do you know who wrote the words "Madison-out" on there?

A. No; I don't. [48]

Q. Were they on there when he showed you the paper? A. I don't remember.

Q. If they were on there you do not know who crossed them out?

A. No. It might possibly have been crossed out due to the fact that the Madison had gone out of business and there was no way of checking the experience with them. There was no office to check with.

(Testimony of William E. Haney.)

I had at least two conversations with Mr. Drenth prior to the issuance of the policy involved in this case. I never saw the letter marked plaintiffs' Exhibit 2 before. Before issuing the policy I was called upon to give consideration to the desirability of the company, accepting or rejecting it. I heard the testimony given by Mr. Swift. If that information had been given me, I would not have authorized the issuance of this policy on account of the frequency of accidents. Likewise, if I had the information that was given in the testimony of Mr. Masi, I would not have issued that policy. The reason is frequency of accidents. I had never heard of the Metropolitan Casualty Company at all in connection with the R. O. Deacon Lumber Company prior to the issuance of the policy. I did not hear of the Metropolitan Casualty Company in connection with that policy until after the Gates accident. In my conversation with Mr. Drenth I asked him the names of the insurance carriers of the R. O. Deacon Lumber Company. The names given were Maryland Casualty Company and the Madison. The Metropolitan Casualty Company was not mentioned at all by him. None of the accidents that I have heard testified to in connection with the Metropolitan Casualty Company were mentioned to me. In acting in this matter, I relied upon the statements made by Mr. Drenth to me. Frequency of accidents bears more importance in considering the acceptability of a risk of this nature than any other [49] consideration.

(Testimony of William E. Haney.)

Cross Examination

My first conversation with Mr. Drenth was in the early part of May. It took place in the office of the General Casualty Company at 114 Sansome Street. Persons present were just Mr. Drenth and myself. He wanted to know about this risk. He had discussed the risk with Mr. Sturges and then he came to me, as chief underwriter, to work out the details of handling the risk. And I told him at that time that we would have to have the names of the previous carriers and the experience for three or four years in order to judge whether or not we could accept the risk or not. I told him that if the experience were good for that period of time we would give it very favorable consideration. I happen to remember that I said three or four years because that is one of the fundamentals of underwriting that business, and I always insist on at least that much information, for that much experience on a risk of that nature because one year won't give you the experience on it. I may have told counsel for the defendant that conversation before this answer was drawn up. I couldn't remember altogether what I told him but I told him what I could remember about it. I had another conversation with Mr. Drenth which took place the early part of June, around the first couple of days in June. At that time Mr. Drenth came in with a list of the equipment and with the information that the Maryland Casualty Company and the Madison had been

(Testimony of William E. Haney.)

on the line. With the information as given me by Mr. Drenth, and having one of my girls check with the Maryland Casualty Company to see that that report was correct as far as the Maryland was concerned, and deciding that we could not check with the Madison because it had withdrawn from the state, I took Mr. Drenth's word for it for the accuracy of the experience and accepted the line without any other inquiry. We checked with the Maryland to see that the [50] experience with them was correct. We found out that it was approximately correct. They gave us an experience of around \$53.00 or \$54.00 in property damage and no public liability. That was all we were interested in, because we were only writing public liability and property damage. That was around the first part of June. I notice up at the top of the plaintiffs' Exhibit 2 that it has "6/2/34". I did not put it there, I have never seen it before. I did not ask the Maryland Casualty Company about one of the trucks of the Deacon Lumber Company being completely destroyed, nor did anyone under me ask them. No one under me, within my knowledge, called up R. O. Deacon and asked him about that when we found that the Maryland Casualty Company had been in complete loss of a truck. I did not make any inquiry from Mr. John Drenth in reference to the Maryland Casualty Company not having a record of a complete loss of a truck. I asked him for the experience of the Maryland Casualty Company,

(Testimony of William E. Haney.)

which he gave me. I have never seen the letter marked plaintiffs' Exhibit 2. I did not inquire of the Maryland Casualty if they had ever cancelled the policy for the R. O. Deacon Lumber Company. I just simply asked them if they had a loss of \$58.00. That is all I asked them.

Testimony of

A. V. MASI,

Direct Examination

I am in the insurance business, in the Metropolitan Casualty Company. I have been with the company for quite a number of years. I am the assistant secretary in charge of claims. All casualty claims come under my supervision. The Metropolitan Casualty Company carried the automobile liability lines of the R. O. Deacon Lumber Company. The last policy that was carried in the Metropolitan expired November 10, 1933. There was a policy of the R. O. Deacon Lumber Company in the Metropolitan Casualty Company covering from November 10, 1932, to November 10, 1933, and there was likewise a policy from November 10, 1931, to [51] November 10, 1932. Under those two policies the R. O. Deacon Lumber Company reported losses. The first accident was on February 26, 1932, which was reported by Mr. Deacon. It was a loss involving personal injuries. No money was paid, only an adjust-

(Testimony of A. V. Masi.)

ing expense. The next one that came in was on June 26, 1932. It was also reported by Mr. Deacon. It was for personal injuries. It involved the payment of \$235.55 and \$15.00 adjusting expense. The next one is in the next policy year from 1932 to 1933, occurring January 4, 1933. That was personal injuries and it was reported by the agent of Mr. Deacon. The next report was on February 1, 1933. It was reported by Mr. Deacon. It was an accident involving a car driven by Mr. Deacon, a LaSalle Sedan. He ran into the rear of another automobile and caused injuries to people in the car, and it was settled for \$700.00. That was his own personal accident. The next one was on March 23, 1933, also reported by Mr. Deacon. It was a personal injury claim and involved a judgment being rendered for \$16,000.00, which was eventually settled by us for \$11,875.89 and total adjusting expense of \$1,923.56. The settlement was made on May 10, 1934. The next was an accident of September 29, 1933, which was reported by Mr. Deacon personally. There were six property damage claims and two potential personal injury claims. On the six property damage claims, there was \$1,245.60 paid and nothing paid on the personal injuries.

Cross-Examination

The policy expired on November 10, 1933, and we refused to renew it with that bad experience. They applied for renewal and we refused to renew it. I do not believe that the settlement I have testified

(Testimony of A. V. Masi.)

to that took place in May of 1934, involved the total destruction of a truck. It was an accident that occurred where the Stockton and Manteca highway intersects. The truck was stopped on the highway, as I recall it, and I believe that it was an Exami-

[52]

ner or Chronicle truck that ran into the rear of it causing severe injuries to the driver. The September accident, the one of the property damage for \$1,200.00, occurred right here where, I believe, it is your street cars, cross the highway just north of the city limits, where the truck struck the street car. That caused damage not only to the street car, but to the signals and S. P. signals and there were six property damage claims in that case. I believe the truck was very badly damaged. I couldn't tell you offhand whether it was a total loss or not. We didn't insure the truck for damage to the truck itself, so I didn't pay any attention to that.

Testimony of

C. L. SWIFT

I am an insurance adjuster. During the years 1932 and 1933 I investigated and adjusted claims in this territory for the Metropolitan Casualty Company. During the time I was doing this work for Metropolitan Casualty Company I adjusted accidents that had been reported to the Metropolitan Casualty Company by the R. O. Deacon Lumber

(Testimony of C. L. Swift.)

Company. I handled practically all the losses in this territory. The R. O. Deacon Lumber Company office was in Lemoore and they did long distance trucking, so that if they had accidents in other counties or districts, they might not come under my attention. I handled four cases of accidents for the R. O. Deacon Lumber Company in 1932 and five cases in 1933. Some included injuries and some did not. We had the collision—the Lloyd's group is a sister of the Metropolitan Casualty, a sister company, and the fire company has the collision and the fire and theft and property damage. Metropolitan Casualty carried the public liability. The last of these accidents that I investigated was in September, 1933. Both property damage and public liability were involved in that accident. The property damage claims were paid, and, as I recall, the public liability case, there was no payment made on it. There was a report in from the R. O. Deacon Lumber Company on the public liability under that policy. [53]

Testimony of
H. H. MUNROE

In the year 1934 I was an employee of the claims department for the General Casualty Company and the General Insurance Company of America. One writes the fire and the other the property damage and public liability. Prior to the first week of October, 1934, I did not know anything at all about the

(Testimony of H. H. Munroe.)

insurance of the R. O. Deacon Lumber Company, and I heard of an accident in which Mr. Gates lost his life about September 20, 1934. After that happened I went to Fresno and contacted a Mr. Dewey—I believe he was the driver of the truck, and a Mr. Farrar—I think he was the helper. I went with them to the office of Everts, Ewing, Wild and Everts and had a conference there with Mr. Conway. They represented the company and they were taken there for the purpose of giving them such information as I had before going back to San Francisco. That was somewhere around the first part of October. I had a meeting with the driver and the helper on the truck. Mr. Deacon was there, but whether he was present at the time with the other two I don't know. It seems to me he came in later. I had a conference with him and then we had a joint conference, Mr. Conway and myself with Mr. Deacon. During that time I didn't learn anything about a prior experience of the R. O. Deacon Lumber Company. After that I came back to San Francisco, but somewhere during my stay up there, I was informed about the Metropolitan Casualty Company being on the risk. I returned to San Francisco right away after learning of the Metropolitan Casualty Company. I came back, I think, the same day. I went over and asked the Metropolitan what their experience had been. I ascertained from their records that they had five property damage claims from the R. O. Deacon Lumber Company in the year 1934. I

(Testimony of H. H. Munroe.)

also ascertained from the records that they had several personal injury claims. When I obtained that information from the Metropolitan Casualty Company, I conveyed it to the head of the department.

The court ordered the taking of the deposition of John Drenth as a witness for the plaintiffs, and, by stipulation of counsel, it was ordered that upon the filing of the deposition with the clerk, the cause be submitted on briefs. On motion of defendant, the court ordered the complaint amended by marking out the words "during the year" in line 22 of page 3 and in line 2 of page 4 of the complaint.

The foregoing is a statement in narrative form of the testimony and proceedings at the trial material to the points to be urged by the appellants.

DAVID E. PECKINPAH

HAROLD M. CHILD

L. N. BARBER

Attorneys for Plaintiffs

Approved this 16 day of November, 1940

REDMAN, ALEXANDER &
BACON

JEWEL ALEXANDER

W. C. BACON

Attorneys for Defendant.

[Indorsed]: Filed Nov. 18, 1940.

[55]

[Title of District Court and Cause.]

DEPOSITION OF JOHN DRENTH

Fresno, California. January 6, 1940

Be it remembered that pursuant to the attached stipulation, the deposition of John Drenth, a witness for the plaintiffs in the above entitled action, was taken before Molly Poole, a notary public in and for the County of Fresno, State of California, at her office, 431 Brix Building, Fresno, California, on January 6, 1940, commencing at 9:30 o'clock a.m. The plaintiffs were represented by David E. Peckinpah, Esq., and L. N. Barber, Esq., and the defendant was represented by Jewel Alexander, Esq. The following proceedings were had and testimony taken, to wit: [63]

Mr. Peckinpah: This is the case of Gates et al. vs. General Casualty Company, in the United States District Court for the Southern District of California, Northern Division, No. 30, Civil. Pursuant to stipulation entered into between counsel for plaintiffs and counsel for the defendant, dated the 29th day of December, 1939, we will take the deposition of John Drenth.

Mr. Alexander: Yes.

Mr. Peckinpah: And it will be stipulated the notary need not remain?

Mr. Alexander: Yes.

JOHN DRENTH:

Being first duly sworn by the Notary, testified as follows:

Mr. Peckinpah:

Q. Will you state your name?

A. John Drenth.

Q. Where do you live, Mr. Drenth?

A. I am living in Redwood City, California, is my home, but I have offices in Chicago at present. I am there most of the time.

Q. Rather a long way to commute, isn't it?

A. Yes.

Q. What is your business?

A. Insurance broker.

Q. Were you—were you in that business before you went to Chicago?

A. Yes. I was in that business ten years.

Q. Directing your attention to May, of 1934, were you in the business of insurance broker?

A. I was, yes.

Q. Where?

A. San Francisco, 231 Sansome Street. [64]

Q. Now, will you describe to us generally what you mean by being in the business of insurance broker? Just what did your business consist of, just generally?

A. An insurance broker solicits business and represents the assured in the placing of that business with companies when he gets an order to place a certain policy.

(Deposition of John Drenth.)

Q. Now, in connection with that business, did you have a customer known as the R. O. Deacon Lumber Company. A. I did, yes.

Q. How long had you done business for that R. O. Deacon—for R. O. Deacon?

A. Possibly a year before that time.

Q. A year before that time. Did you have occasion to transact any business in the way of procuring insurance for the R. O. Deacon Lumber Company in May, 1934?

A. I am not sure of the exact date, but it was sometime in the latter part of April or 1st day of May, I received an application from R. O. Deacon, asking if I could place his liability and property damage insurance on these trucks, because the Madison Insurance Company had gone into liquidation, and he was without coverage.

Q. What did you do with reference to his request, Mr. Drenth?

A. Well, at that time I had been placing truck business, which is very hard to place, in whatever company would write the business, and I had done considerable business with the Globe Indemnity Company, placing quite a few lines there, and the man who handled the transactions for me was a man named Joe Conolly. He had left the [65] Globe, resigned from the Globe, and had gone to work for the General Casualty Company at Seattle, Washington. He was in the habit of dropping into the office

(Deposition of John Drenth.)

regularly to see if I had any business to place, as is the custom in San Francisco with the brokers. And he came into the office, as was his custom, and I presented him with this request from R. O. Deacon for insurance. He took all the information that was given in Deacon's first request, and said he would see what he could do about it.

Q. What was the nature of the information?

A. It was—the original information was a list of the trucks with the motor numbers and the territories in which they operated; and I recall specifically that Mr. Deacon called attention to the fact that the previous policy losses—

Mr. Alexander: (Interrupting) Just a moment. We object to what Mr. Deacon called attention to. Upon the ground that it is incompetent, irrelevant and immaterial, and hearsay; and furthermore, is not responsive to the question. I wonder if we could have the question read, Mr. Peckinpah?

Mr. Peckinpah: Yes.

(Question read.)

Mr. Barber: That refers to the information that you gave Mr. Conolly and not the information that Mr.—

Mr. Peckinpah: Just confine yourself to the information that you gave to Mr. Conolly.

A. I gave him Mr. Deacon's letter which listed the [66] numbers of the trucks, and the models and the areas in which they were used.

(Deposition of John Drenth.)

Q. Then what happened?

A. Mr. Conolly went over to his own office and said he would see what he could do about it, and he came back and said they had to have some information as to who carried the risk, prior to the Madison Insurance Company.

Q. Now, let me interrupt you there just a minute. Did he come back that same day?

A. I think not. I think it was the next day.

Q. The next day?

A. It was within one day, it wasn't over one day. He came back and said they had to have some more information as to who carried the line prior to the Madison Insurance Company, because on this kind of a risk—this was new business to the General, trucking business, and they wanted to find out if there had been any prior claims.

Q. What did you tell him?

A. I told him I had no record of it. Of course, the only thing I could do was to write Mr. Deacon and get the information.

Q. I show you a letter dated May 3rd, 1934 and ask you if you have seen that letter before?

Mr. Alexander: Now, this time may not be the right time, but to prevent any question, I object to reference to that letter upon the ground it is incompetent, irrelevant, immaterial, and calls for hearsay, and not binding upon the defendant. [67]

Mr. Barber: That is the objection that was made

(Deposition of John Drenth.)

and overruled when the copy was offered.

Mr. Peckinpah: Q. Have you seen that?

A. Yes.

Q. Will you tell us what it is?

A. It is the letter I wrote Mr. Deacon asking for the information Mr. Conolly asked me for.

Mr. Peckinpah: Now, at this time, in order to identify it, we are going to make the request that it be—

Mr. Barber: That is Plaintiffs' Exhibit 5.

Mr. Peckinpah: Be introduced in evidence as—we are going to ask this be introduced in evidence also as plaintiffs' exhibit next in order.

Mr. Alexander: And to which we urge the same objection that we made before.

Mr. Peckinpah: And in order that it may be contained in the deposition, until the Court can rule upon it, I am going to read the proposed exhibit—

Mr. Barber: Well, the original may be attached to the deposition.

Mr. Peckinpah: Well, we can do that.

Mr. Alexander: And the reading will be likewise subject to the same objection.

Mr. Peckinpah: Yes, that is understood. This is a letter written on the heading entitled: "John Drenth, Manager," in the left-hand corner, and "Telephone EXbrook 5900," on the right-hand corner as you look at the paper. "Empire Agency Corporation. Supreme Insurance Protection. 231 [68]"

(Deposition of John Drenth.)

Sansome Street, San Francisco." All in printing. The rest in typewriting: "May 3, 1934.

"R. O. DEACON LUMBER CO.

Lemoore, California.

"Dear Rod:

Please give us the name of the Insurance Company you were insured with the last year and also the number and any other available information on liability and property claims.

We enclose the covering note issued April 26th and will keep you covered until we can get the policy issued.

Yours very truly,

EMPIRE AGENCY CORPORATION,

By JOHN DRENTH

Manager."

in typewriting. And then, the lower left-hand corner, "JD:S" and underneath that: "Encl."

Q. The name, "John Drenth" that appears on this letter which I have just read, is your signature, is that right? A. Yes, that is right.

Q. Mr. Reporter, you will attach this original to the deposition so that it can be a part of it. Now, did you receive any reply from the R. O. Deacon Lumber Company in response to that?

A. I did. I got a letter back within two or three days after that—almost at once.

Q. I will show you a copy of a letter, the original of [69] which is Plaintiffs' Exhibit 2 in this case,

(Deposition of John Drenth.)

and ask you if you received—if you remember receiving the letter, such as the copy I hand you?

A. Yes, I recall having such a letter.

Q. When you received the letter from the R. O. Deacon Lumber Company, dated May 5, 1934, and referred to as Plaintiffs' Exhibit No. 2, what did you do?

A. I called Mr. Conolly and gave him a copy of it—or the original; I am not sure which.

Q. Did you have any further discussion with Mr. Conolly in reference to the—

A. None as far as claims were concerned, no.

Q. Now, this letter, I notice, is dated—Plaintiffs' Exhibit 2, is dated May 5, 1934. It was within a short time after that that you received it and called Mr. Conolly?

A. It couldn't have been over three days because I always attended to everything of that kind the day it came into the office.

Q. Did the General Casualty Company accept the insurance and issue the insurance?

A. They did.

Mr. Alexander: Just a moment. Just a moment, now. May that answer go out for a minute?

Mr. Peckinpah: Yes, I'll stipulate that the answer go out.

Mr. Alexander: I object to that because it calls for his opinion and conclusion on a legal matter.

Mr. Peckinpah: I will withdraw it. What happened after you gave the copy of the letter of May

(Deposition of John Drenth.)

5, 1934, designated [70] as Plaintiffs' Exhibit No. 2, to Mr. Conolly?

A. Within a few days' time he told me the policy would be issued, and wanted to know how the premium was to be paid; and I told him that we would not guarantee the premium for any long haul trucking, and therefore we had to prepare some kind of instalment payment contracts and get a down payment from Deacon before the policy would be issued.

Q. And were they prepared?

A. They were prepared, and eventually the check came in from Deacon and was turned over to the General Casualty Company, or, to the—their finance company, whatever company it was. I don't know who financed it.

Q. And were the policies issued?

A. The policy was issued, dated June 2d, when the payment was made.

Q. Was it delivered to your office?

A. Yes.

Q. Do you know a man by the name of Haney?

A. Yes, sir.

Q. Did you know him when he was employed by the General Casualty Company?

A. Yes, I did.

Q. Now, in reference to this transaction, involving the General Casualty Company and the R. O. Deacon Lumber Company, pertaining to truck in-

(Deposition of John Drenth.)

surance, state whether or not you had any conversation with Mr. Haney in reference thereto.

A. I did not.

Q. Did you—tell us who you talked to— Give us the names of everyone that you talked to representing the General Casualty Company, in reference to this business. [71]

A. Well, I never talked to anyone of the General Casualty employees about this risk, except Joe Conolly, until after the loss occurred.

Q. Now, did you talk to Ben C. Sturges while the policy was—during the process—

A. Not until after the loss occurred did I ever talk to Sturges about it, either.

Q. How long after you gave Mr. Conolly a copy of the letter dated May 5, 1934, designated as Plaintiffs' Exhibit No. 2, did Mr. Conolly tell you that the policy would be issued, and talk to you about the premium?

A. It would be purely a guess. I'd say three days, but I could not verify that at this time.

Q. You said that Mr. Conolly wanted to know what losses they had sustained?

A. That is right.

Q. You wrote to Mr. Deacon in reference thereto?

A. Yes.

Q. And was any particular time, in reference to the record of losses, designated, if you can remember?

(Deposition of John Drenth.)

A. Well, I had been writing considerable truck business, and it was customary that the companies always wanted to know every loss that occurred in the prior year.

Mr. Alexander: I move that go out as not responsive to the question, and incompetent, irrelevant and immaterial.

Mr. Peckinpah: Q. Had you done business with Mr. Conolly before this transaction?

A. I had, with Mr. Conolly, not with the General Casualty.

Q. I am talking about Mr. Conolly.

A. I had, yes. [72]

Q. Had you been requested by him on other occasions to give records of losses?

Mr. Alexander: Pardon me. I object to that question unless it is shown that the prior conversations were while Mr. Conolly was employed by the General Casualty Company.

Mr. Peckinpah: Q. What records—for how long a period were they—for how long a period would you give the record of losses, pertaining to your transactions with Mr. Connolly?

Mr. Alexander: We object to that as incompetent, irrelevant and immaterial, and what his relations with Mr. Conolly or other companies was, we submit, is immaterial. We are dealing here with a specific company.

Mr. Peckinpah: Now, you can answer the question. A. One year.

(Deposition of John Drenth.)

Q. Was anything said by Mr. Conolly in reference to one year, or any length of time?

A. No length of time was mentioned.

Q. What did he say, as nearly as you can recall?

A. As near as I can recall he said, "The underwriters at the office want information as to prior liability or property damage claims."

Q. Now, did Mr. Conolly get a copy of your letter of May 3d, 1934 to R. O. Deacon Lumber Company, along with the copy of the reply?

A. I think not.

Mr. Peckinpah: I will hand you this, Mr. Reporter, and you can attach that also to the transcript as a copy of [73] Plaintiffs' Exhibit 2. That is all. You may cross examine.

Cross Examination

Mr. Alexander:

Q. At the time you have been talking about, which was somewhere around April or May, 1934, you were connected with what brokerage firm? The name of the firm.

A. Empire Agency Corporation.

Q. That is an independent broker, is it not?

A. That is right.

Q. You were acting for it, and in the capacity of an independent broker?

A. That is right.

Q. At that time a considerable volume of its

(Deposition of John Drenth.)

business was the placing of tough or bad risks, was it not? A. No, it was not.

Q. It was not? A. Never was.

Q. It never was? Let me ask you this, had that brokerage firm advertised for business?

A. It did not.

Q. Now, I wonder if I can refresh your memory. Didn't Mr. Drenth write in to you, after seeing an ad——

Mr. Peckinpah: You mean——

Mr. Alexander: I did not mean Mr. Drenth, I meant Mr. Deacon. If you will just stop and think a moment.

A. The only ad I recall ever writing or having in any paper, was in a little publication that was issued by an organization called the California Truck Association.

Q. Yes.

A. Which Larry Parsons was organizing, and I did some work, because I knew a lot of truck men, and helped him get it organized. [74]

Q. Didn't he write in to you after seeing that ad? A. I couldn't say that he did.

Q. Let me ask you this, have you his original letter to you regarding the placing of this truck line? A. No, I have not.

Q. You have not? It wasn't done by word of mouth, was it? A. No.

Q. He was down in Lemoore, was he not?

A. Yes.

(Deposition of John Drenth.)

Q. And you, in San Francisco?

A. That is right.

Q. So he wrote up here to San Francisco to have his line placed? A. That is right.

Q. Did he not? He had never written before for any business, had he?

A. Yes, I had already had his cargo insurance.

Q. You had his cargo insurance? When was that placed?

A. That was placed probably three months prior.

Q. That is, about the same year?

A. The same year, yes.

Q. Now, this happened some years ago. How many policies do you think that you negotiated during the year 1934, roughly? Would it run into hundreds?

A. Policies of all kinds, you mean?

Q. Yes, of all kinds.

A. I would say close to two thousand.

Q. Close to two thousand? In that year?

A. Yes.

Q. In 1935 and 1936 and 1937 and 1938 and 1939 your [75] business has been just as active?

A. It increased steadily, yes.

Q. So it is safe to say that during the past five or six years, you have handled, oh, from ten to fifteen thousand policies? A. That is right.

Q. That is right. And you are giving specific testimony regarding a particular policy, after a good many years, is that right? A. Yes.

(Deposition of John Drenth.)

Q. Now, was your memory refreshed? Were any papers shown to you before the testimony here?

A. None except these two.

Q. Just these two? Did you have any correspondence with Mr. Peckinpah about the matter?

A. He wrote me, yes.

Q. Have you his letter?

A. No, I haven't, here. It is in Chicago.

Q. It is in Chicago. Now, in the letter, I think it is of May 5, 1934, which I think corresponds to Plaintiffs' Exhibit No. 2—just take a look at that—there is no mention of the Metropolitan Casualty Company in that letter to you by Mr. Deacon, is there? A. No, there is none.

Q. You did not mention the Metropolitan Casualty Company to Mr. Conolly or anyone connected with the General Casualty Company, did you?

A. No, I did not.

Q. I will ask you a number of questions that follow from that. Mr. Deacon did not tell you that the Metropolitan Casualty Company had covered his line in 1933 up to [76] November 10th, did he?

A. He did not.

Q. Nor did he tell you that the Metropolitan had covered the line for two or three years before that? A. He did not.

Q. Accordingly, you did not tell anyone connected with the General Casualty Company anything about the Metropolitan line? I am right, am I not? A. That is right.

(Deposition of John Drenth.)

Q. And, following from that, Mr. Drenth—Mr. Deacon—they both begin with a “D” I guess that is why I am doing that—Mr. Deacon did not tell you anything about an accident that occurred, in which personal injuries were sustained, in February, 1932, did he? A. He did not.

Q. And you did not tell the General Casualty Company anything about such an accident?

A. I did not.

Q. And he did not tell you anything about an accident in which there were personal injuries, in June, 1932, did he? A. He did not.

Q. Nor did you tell or say anything about that accident to the General Casualty Company?

A. I did not.

Q. This may seem like repetition, but it won't be too long. And, of course, in regard to the last few questions, he did not tell you that the Metropolitan Casualty Company had been on when an accident occurred, involving personal injuries, in February, 1932 or June, 1932; that is right, is it not? A. That is right.

Q. He did not tell you about any accident involving [77] the Metropolitan Casualty Company, involving his trucks, where there were accidents and injuries, in January, 1933, February, 1933 or March, 1933; he did not tell you any of those things, did he?

A. He did not, as far as the Metropolitan Casualty Company is concerned.

(Deposition of John Drenth.)

Q. And you, in turn, did not make any mention of those things to the General Casualty Company?

A. I did not.

Q. And did he tell you that in a case, under the Metropolitan Casualty Company, judgment had gone against this company, in February, 1934, for \$16,000 for personal injuries, or for a death, for personal injuries or death, I don't know which—

A. He did not.

Q. Nor, did he—of course you did not make any mention of that to the General Casualty Company? A. That is right.

Q. Did he tell you that on May 4th, the day before his letter was written to you, May 4, 1934, the Metropolitan Company, Casualty Company, had settled that \$16,000 judgment by paying \$11,875.89?

A. He did not.

Q. Nor, did you tell that to the General Casualty Company? A. I did not.

Q. Did he tell you that in September, 1933, the Metropolitan Casualty Company had sustained losses for the R. O. Deacon Lumber Company on six property damage claims? A. He did not.

Q. Nor did you give any such information to the General Casualty Company?

A. I did not.

Q. Or did he tell you that at the same time the Metropolitan [78] Company had been faced with a personal injury claim on the R. O. Deacon Lumber Company policy? A. He did not.

(Deposition of John Drenth.)

Q. And you did not give that information to the General Casualty Company? A. I did not.

Q. And you did not give it to the General Casualty Company because you did not know it, is that right? A. That is right.

Q. Did Mr. Deacon tell you that on November 10, 1933, the Metropolitan Casualty Company had refused to renew its policy with the R. O. Deacon Company on account of the past bad experience?

A. Did not.

Q. And, of course, you did not give any such information to the General Casualty Company?

A. That is correct, I did not.

Q. Did Mr. Deacon tell you that Norton & Swift, adjusters, with offices here, that is, I mean in Fresno—had adjusted four losses for the R. O. Deacon Lumber Company in 1932?

A. He did not.

Q. You did not give any such information to the General Casualty Company? A. I did not.

Q. Did Mr. Deacon tell you that Norton & Swift had adjusted five cases for the R. O. Deacon Lumber Company, for personal injury and property damage, in the year 1933? A. No.

Q. So you did not give any such information to the General Casualty Company? A. No.

Q. And the only information that you had on this past [79] experience, was that that was given to you by Mr. Deacon in his letter?

A. That is correct.

(Deposition of John Drenth.)

Q. And that letter, I think you testified, you transmitted to Mr. Conolly, or someone connected with the General Casualty Company?

A. That is correct.

Q. And in that letter there was no mention of the Metropolitan Casualty Company?

A. There was not.

Q. Did you know that the Metropolitan Casualty Company had carried the line for property damage and public liability up till November 10, 1933?

A. I did not.

Q. And did you know, or were you told by Mr. Deacon that the Metropolitan Casualty Company had refused to renew its policy at that time?

A. No.

Q. In other words, Mr. Deacon said nothing about that to you, either by letter or otherwise?

A. He did not.

Q. And of course, it follows, I take it from that, that you made no mention of that to the General Casualty Company.

A. That is correct.

Q. Did you know that the Maryland went on the line November 10, 1933, and canceled, February 25, 1934?

A. I had no knowledge of the dates.

Q. You merely knew that——

A. That the Maryland Casualty had——

Q. Had canceled out?

A. Had been on the line. That was mentioned in that letter.

(Deposition of John Drenth.)

Q. That was the only information that you—
pardon me— [80] if I can refer to that letter,
we are talking about the letter of May 5, 1934 to
the Empire Agency Corporation, from the R. O.
Deacon Lumber Company, Plaintiffs' Exhibit No.
2. In that letter it is stated, "Our insurance was
then—" "The later part of September, 1933, one
of our trucks had an accident and was completely
destroyed. Our insurance was then carried by the
Maryland Casualty, and this loss cost them too
much and they withdrew the coverage shortly after
that time." You know that—that is a quotation
from the letter. A. Yes, sir.

Q. Now, he was talking there about his truck
—"One of our trucks was completely destroyed."
That insurance on the destruction of that truck
would be collision insurance, would it not?

A. As far as his own truck is concerned, it would
be, yes.

Q. And when he refers to his own truck being
completely destroyed, any recovery he made would
be under a collision insurance policy. That is true,
is it not?

A. That is true. As such, it would not be placed
with the Maryland Casualty, because they were not
writing collision on trucks.

Q. But the fact is—let me get the thing
straight—so the record won't be misinterpreted.
If his own truck was completely damaged, his pro-
tection would be under a collision policy, would
it not? A. It would.

(Deposition of John Drenth.)

Q. It would. Now, in the insurance that you [81] were seeking to get for him, from the General Casualty Company, you were not asking for collision insurance at all, were you? A. No, sir.

Q. You were asking for property damage; that would be for damage to other people's cars, and for public liability insurance?

A. That is right.

Q. And any reference—you were not seeking any insurance that would protect him for damage to his own truck? A. That is right.

Q. Now, did Mr. Conolly get a memo. from you—you think you gave him a memo. of the trucks and so forth? A. I did, yes.

Q. And that memo. was given him for the General Casualty Company, was it not?

A. That is right.

Q. You don't know—or, do you know, whether the memo. that has been used—that was put in evidence in this case, was that memo. or not?

A. No, I have no knowledge of that.

Q. You have no knowledge of the records on that, immediately available? A. No.

Q. Mr. Conolly was only employed by the General Casualty Company for a few months, is that right?

A. Yes. I think he—I don't know the number of months. I don't think he stayed with them over a year.

Q. Wasn't it considerably less than a year?

(Deposition of John Drenth.)

A. I couldn't say that.

Q. Your business had been with him, with another company, the Globe, had it not? [82]

A. That is right.

Q. This was the first experience you had with the General Casualty Company, — or was it?

A. That is a hard question to answer, unless I go into an explanation. Would you like to—is that permissible?

Mr. Peckinpah: You can explain your answer.

Mr. Alexander: Well, let me withdraw the question and ask it another way, because it——

A. It isn't a fair question to ask that way.

Q. What I really had in mind was, you had done considerable business with Mr. Conolly when he was with the Globe Indemnity Company?

A. That is right.

Q. Am I right in saying that this was the first piece of business that you took up with him while he was with the General Casualty?

A. That is correct.

Q. That was really the only thing I wanted to bring out. You knew, did you not, that Mr. Conolly, himself, had no powers to write a policy with the General Casualty Company, or, did you know?

A. No, I had no way of knowing what his contract with his own company was. I knew he was an employee of that company and was soliciting business for them from brokers.

Q. He was what you might call a special——

(Deposition of John Drenth.)

A. A special agent.

Q. Yes, but the policy was not signed by him, was it? A. Oh, no.

Q. Signed by Mr. Haney, was it not?

A. I could not say [83] who it was signed by.

Q. But at any rate, he wasn't in the branch of the business that would sign a policy?

A. He was not.

Q. When Mr. Conolly first called on you was there any discussion of Deacon's former insurance, or accidents he had had, or anything of that kind?

A. I don't recall anything.

Q. When you spoke of Mr. Conolly bringing you a binder, he, himself, did not sign the binder, did he? A. He did not.

Q. The binder was a temporary affair, was it not? A. Yes, sir.

Q. You obtained a temporary coverage while the General Casualty Company was looking into the line, to determine whether it would write the policy or not? Am I correct in saying that?

A. That is correct. The General Casualty and all other companies at that time were, on all trucks, made their own investigation, on any risks that were submitted.

Q. And Mr. Conolly, when he came back with the binder, he told you what the company—he wanted to know what—or, his company wanted to know what companies had had the risk before, did he not?

(Deposition of John Drenth.)

A. When he came back the second time, he wanted to know what the—who had the risk, so that they could check the loss experience.

Q. Did he also want to know whether or not any policies had been canceled?

A. That is a customary question, so [84] I presume he asked it.

Q. Am I stating this correctly, that in discussing the matter with you, about the past experience, no period of time was mentioned regarding that?

A. That is correct.

Q. Regarding Deacon. And is it not a fact that you said when he came back, that you would have to get the information from the Deacon Lumber Company?

A. That is correct.

Q. And the only knowledge that you had about their past experience was that contained in the Deacon Lumber Company letter of May 5, 1934, to you?

A. The only actual knowledge.

Q. May I have the letter of May 3d—maybe you have it here— In your letter to the Deacon, R. O. Deacon Lumber Company of May 3d, 1934, you asked them to give you the name of the insurance company they were insured in the last year, and also the number and any other available information on liability or property damage claims. I quoted that right, have I not?

A. Yes.

Q. In the reply, they did not tell you that in 1933 up to November 10, 1933, the Metropolitan Casualty Company had been on the line?

(Deposition of John Drenth.)

A. They did not.

Mr. Alexander: I think that is all.

Redirect Examination

Mr. Peckinpah:

Q. Mr. Drenth, I think I asked you this before, but I want to ask it again. You had no conversation with Mr. [85] Sturges at all, of the General Casualty? A. Not prior to the claim.

Q. And you had no conversation with Mr. Haney, of the General Casualty?

A. Not prior to the claim, I did not.

Q. Your conversations and your dealing was with Mr. Conolly? A. Entirely.

Q. Now, Mr. Drenth, I want to ask you this, did you go to the General Casualty offices at any time in the spring of 1934 and solicit insurance for the R. O. Deacon Lumber Company?

A. You mean to ask them to take the policy?

Q. Yes. A. I did not.

Q. As I understand it, their representative, Mr. Conolly, called on you and asked you if you had any insurance to give them?

A. That is correct.

Q. I will ask you this specifically, Mr. Drenth, did you at any time, in the spring of 1934, call on Mr. Ben C. Sturges, Assistant Manager of the General Casualty Company in San Francisco, and request him to give insurance to the R. O. Deacon Lumber Company? A. I did not.

(Deposition of John Drenth.)

Q. You said something about the Maryland Casualty Company not writing collision insurance, in cross-examination?

A. The Maryland Casualty Company writes—is an indemnity company, and writes liability and property damage coverage. Fire and Theft and Collision is placed in another company.

Q. Is that generally known among the insurance people?

A. I think it is, by everyone that writes business with them. [86]

Mr. Alexander: I move the answer be stricken out on the ground the witness would not be qualified to make the answer that he did, in that the witness has not sufficient information to make that statement.

Mr. Peckinpah: Q. I think I have asked you this before, but I want to ask it again. Referring, again, to Plaintiff's Exhibit No. 2, the letter of May 5, 1934, from the R. O. Deacon Lumber Company to you, that is, the copy of this letter designated as Plaintiff's Exhibit No. 2, that was given to Mr. Conolly? A. It was.

Q. By you. That is all.

Recross Examination

Mr. Alexander:

Q. It would not be right if I did not ask another question or two, Mr. Drenth. In 1934—did this happen, to your knowledge, in 1933 or 1934?

(Deposition of John Drenth.)

A. You say, did this happen?

Q. Yes, can you tell from your own knowledge—

A. Yes, I can.

Q. That is, by looking at these letters?

A. No, because I organized the Empire Agency on March 1st, 1933, and I did not do any work with the truck association until almost a year later than that.

Q. That would bring it to—

A. Into 1934.

Q. But you had known Mr. Conolly in 1933?

A. I had known Mr. Conolly, with the Globe Indemnity Company, because I did business with them before I went to [87] San Francisco.

Q. And that was in 1933 and prior?

A. That is right.

Q. Now, take in 1934, had you ever, during the year 1934, were you ever in the office of the General Casualty Company?

A. I called in that office to see John Talcott, who was manager of the General Fire. He was manager of both companies. The only time I was ever in that office was to see Mr. Talcott on fire risks.

Q. Where was the office in 1934?

A. 200 Bush.

Q. Of the General Casualty Company?

A. 200 Bush.

Q. How long have you known Mr. Haney, whose

(Deposition of John Drenth.)

name has been mentioned? A. Seven years.

Q. How long have you known Ben Sturges?

A. Ten years.

Q. Ten years. And during the seven years you knew Mr. Haney, you had conversations with him from time to time, haven't you?

A. I knew him when he was with Everett Brown & Sons, before he went with the General Casualty.

Q. Yes, when he was with Everett Brown. That is not so far back.

A. Well, it was in 1933 and prior.

Q. But you knew him some seven years, did you not? A. Yes.

Q. Could you tell us every conversation you had with him during those seven years? Is your memory strong enough to do that?

A. I can tell you every conversation I had with him in the General Casualty.

Q. That isn't the question—— [88]

Mr. Peckinpah: I submit that is an answer.

Mr. Alexander: That is not an answer. Can you tell us—is your memory strong enough to give us every conversation you had with Mr. Haney during the seven years you have known him?

A. I will have to answer that no, because he later moved over to Swett & Crawford, in the bond department, and I talked to him on an average of three times a week after that.

Q. Now, take Ben Sturges. You have known

(Deposition of John Drenth.)

him about ten years? A. That is right.

Q. Is your memory strong enough to tell us every conversation you had with him during the past ten years? A. I believe it is.

Q. How many conversations did you have with Mr. Sturges during that time?

A. Not more than five.

Q. Well, now, tell us the conversations you had in 1930 with him, if any.

A. I had none in 1930. He was in Los Angeles.

Q. Well, you knew him ten years ago?

A. Well, I met him in Los Angeles in 1929.

Q. 1929? What conversation did you have in 1929?

A. I did not have any. I was just in the office of the people I worked for there, and I was introduced to him.

Q. Go on. Taking the years, without spreading this out, could you give us every conversation you had with Ben Sturges each year from 1929 to date?

A. The next [89] conversation I had with him was when Mr. Deacon came in and asked me to go over to the General Casualty office and discuss this loss, because it had been denied. I went over with him, and the man I talked to was Mr. Sturges. At that time I did not even know he had moved to San Francisco, as assistant manager of the General Casualty.

Q. You had not seen him between 1929 and 1934,

(Deposition of John Drenth.)

is that right? A. That is correct.

Q. But during the years, 1929 on, you testified you had been very active, writing during that time, policies that would probably be, maybe 30,000 policies—or am I going too strong on that?

A. Well, I would not say there were that many policies.

Q. 25,000, approximately? I am not trying to—Don't get me wrong, Mr. Drenth, I am not trying to bind you down to a particular number, but it would be a large number, say 20,000 or maybe 25,000, maybe some big number of that kind?

A. May I say, that is not a fair question, because of the class of business I was doing—

Q. (Interrupting) Mr. Drenth, if the question is not fair, please don't answer it. I don't want you to answer an unfair question.

A. It is'nt fair, because naturally I could not remember the transaction in every one, in 20,000 policies, over an eight or ten year period. But, the class of business I am doing is such that I can remember specific policies, [90] because we issued very few of them.

Q. Let me see if I misquoted you. Didn't you say in the year 1934 you were connected with the issuance of some 2,000 policies? Wasn't that your testimony a little while ago?

A. I said two thousand policies—the actual issuance were certificates of coverage, rather than policies, under blanket policy forms.

(Deposition of John Drenth.)

Q. Well, that is sufficient.

A. That is the same. They were not actual policies.

Mr. Alexander: I think that is all.

Redirect Examination

Mr. Peckinpah:

Q. Mr. Drenth, I want to ask one more question. You mentioned on cross-examination that you—the first conversation since 1929 you had with Ben Sturges was when Mr. Deacon came to your office in San Francisco, and asked you to go with him to see the General Casualty Company about this claim that they were refusing?

A. That is correct.

Q. About what time was that, in that year?

A. I'd say September.

Q. Did you go with him? A. I did.

Q. Who did you see?

A. Saw Mr. Sturges.

Q. That is Ben C. Sturges?

A. Ben C. Sturges.

Q. Now, who was present besides Mr. Deacon, yourself and Ben C. Sturges?

A. No one at the start of the conversation. [91]

Q. Will you just give us the conversation?

A. That was the first information I had that the claim was not being—the liability was being denied on the claim, was when Mr. Deacon came into my

(Deposition of John Drenth.)

office. So when we went over there and talked to Mr. Sturges, he said, "Well, you know, I haven't been up here very long. I am not very familiar with all the transactions that go on here; I had no knowledge of this case at all, and I will have to send upstairs to the claims department and get the file down before I can talk to you about," which he did. We sat in there probably forty-five minutes while he reviewed the loss reports and so forth.

Q. Tell us all the conversation that——

A. As I recall, at that time Mr. Sturges said he was not familiar with the case, he would have to investigate it further and talk to the claims department; but he could not see anything wrong with it, and that it would be taken care of.

Q. Have you given us all the conversation you can remember?

A. In so far as this case is concerned.

Q. That is what I am talking about. That was in September, you think?

A. I think it was.

Q. Of 1934. That is all.

Recross Examination

Mr. Alexander:

Q. I understand you to say, at that time Mr. Sturges said he was not familiar with the case?

A. That is correct. [92]

Q. And he said he would have to get the file out and examine it more carefully?

(Deposition of John Drenth.)

A. That is correct.

Q. And is it not a fact that within a few days after that, Mr. Sturges sent out the notice of rescission?

A. I presume it is, yes.

Mr. Alexander: That is all.

Redirect Examination

Mr. Peckinpah:

Q. Did Mr. Sturges, at that conversation, say anything about having had a conversation with you in May?

A. He did not.

Q. Did Mr. Sturges at that time mention anything about any prior losses?

A. He did not.

Q. Or, did he take up with Mr. Deacon the question of the Maryland Casualty Company, or any other company that had been the carrier?

A. That was not part of the conversation at all.

Mr. Peckinpah: That is all.

Recross Examination

Mr. Alexander:

Q. At that time Mr. Sturges did not have the file before him. That is correct, is it not?

A. That is correct, he did not. He sent upstairs for it.

Q. He said he would have to get the file, which he would do after you left?

A. No, he got it while we were there.

Q. He got it while you were there. You know

(Deposition of John Drenth.)

as a matter of fact that within a day or two thereafter, the [93] notice of rescission went out?

A. Well, I don't know how soon it went out.

Q. Well, it was very soon after that, wasn't it?

A. It probably was, because very shortly after that I did receive a letter from Deacon saying that General had returned the check, I believe, or told him they were going to, for the unearned premium.

Q. Now, do you know whether, at the time of your conversation, Mr. Monroe had been to Fresno, investigating the case or not? Or do you know?

A. No, I don't.

Q. Your idea is that your conversation was in September? A. I think it was.

Mr. Alexander: That is all.

Redirect Examination

Mr. Peckinpah:

Q. Mr. Drenth, Mr. Sturges procured the file from the claims department and went through it while you and Mr. Deacon were there?

A. That is right. He read through the claims report of this accident.

Q. And did he go through the rest of the file while you were there?

A. Yes, he went through it.

Q. After he got through with it did he say anything to you about any conversation he had had with you in May? A. He did not.

(Deposition of John Drenth.)

Q. Did he say anything about any information furnished by Mr. Deacon, or you, in reference to this? A. He did not. [94]

Mr. Peckinpah: That is all.

Recross Examination

Mr. Alexander:

Q. Did he say anything about information that Mr. Monroe had brought from Fresno?

A. No, he did not.

Q. Mr. Monroe had not gone to Fresno at that time, had he? A. I don't know.

Mr. Alexander: All right, that is all.

Mr. Peckinpah: That is all. [95]



State of California,
County of Fresno—ss.

I, Molly Poole, a Notary Public in and for the County of Fresno, State of California, do hereby certify that the witness in the foregoing deposition, named John Drenth, was by me duly sworn; that his deposition was then taken at the time and place mentioned in the attached stipulation, to wit, at my office, 431 Brix Building, Fresno, California, on January 6, 1940, commencing at 9:30 o'clock a.m.; that said deposition was taken in shorthand by James Price, a competent Shorthand Reporter, and under his direction transcribed into typewriting, the

signing of said deposition by the witness being expressly waived by counsel.

In Witness Whereof I have hereunto set my hand and affixed my official seal this 13 day of January, 1940.

[Seal] MOLLY POOLE

Notary Public in and for the County of Fresno,
State of California.

[Endorsed]: Filed Jan. 26, 1940. [96]

[Title of District Court and Cause.]

CERTIFICATE OF CLERK

I, R. S. Zimmerman, Clerk of the United States District Court for the Southern District of California, do hereby certify that the foregoing pages, numbered 1 to 97, inclusive, contain full, true and correct copies of the Complaint; Petition for Removal of Cause to U. S. District Court; Bond on Removal of Cause to U. S. District Court; Order for Removal of Cause to U. S. District Court; Certificate of Clerk on Removal of Cause to U. S. District Court; Answer of Defendant to Complaint; Stipulation Waiving Trial by Jury; Minute Order for Judgment; Findings of Fact and Conclusions of Law; Judgment; Notice of Appeal; Bond on Appeal; Appellants' Designation of Contents of Record on Appeal; Statement of Evidence; Appellee's Designation of Additional Contents of Record on Appeal; Amendment to Appellee's Designation

In the United States Circuit Court of Appeals
For the Ninth Circuit

No. 9707

CARRIE GATES, et al.,

Appellants,

vs.

GENERAL CASUALTY COMPANY OF AMER-
ICA, a corporation,

Appellee.

STATEMENT OF POINTS AND DESIGNA-
TION OF RECORD

Come now the appellants above named and state the points on which they intend to rely on the appeal as follows, to wit:

1. That the evidence is insufficient to support the findings of fraudulent misrepresentation and concealment by the insured with respect to its losses on public liability and property damage claims during the time prior to its application for the policy issued by appellee.

2. That the court should have found from the evidence that appellee, at the time the policy was issued, had knowledge sufficient to put a prudent person upon an inquiry which, if pursued with reasonable diligence, would have resulted in the discovery of all of the facts which the court found to have been misrepresented and concealed.

3. That the evidence is contrary to and fails to support the conclusion of law that the defendant duly and regularly rescinded the policy of insurance, whereby said contract of insurance was extinguished.

4. That the evidence is contrary to and fails to support the judgment in the foregoing particulars.

Appellants hereby designate the parts of the record which they think necessary for the consideration of the foregoing points, as follows, to wit:

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Findings of Fact and Conclusions of Law	22
Judgment	27

DAVID E. PECKINPAH

HAROLD M. CHILD

L. N. BARBER

Attorneys for Appellants

AFFIDAVIT OF SERVICE BY MAIL

C. C. P. 1013A

(Must be attached to original or a true copy of paper served)

State of California,
County of Fresno—ss.

Dorothy Enos, being sworn, says that she is a citizen of the United States, over 18 years of age,

a resident of Fresno County, and not a party to the within action.

That affiant's residence (business) address is 431 Brix Building, Fresno, California

That affiant served a copy of the attached Statement of points and Designation of Record by placing said copy in an envelope addressed to Redman, Alexander and Bacon, Attorneys at Law at his office (residence) address 315 Montgomery Street, San Francisco, California which envelope was then sealed and postage fully prepaid thereon, and thereafter was on December 20th, 1940, deposited in the United States mail at Fresno, California

That there is delivery service by United States mail at the place so addressed, or regular communication by United States mail between the place of mailing and the place so addressed.

DOROTHY ENOS

Subscribed and sworn to before me on December 20th, 1940.

MOLLY POOLE

Notary Public in and for said county and state.

[Endorsed]: Filed Dec. 26, 1940. Paul P. O'Brien, Clerk.

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No. 9707

IN THE

United States Circuit Court of Appeals

For the Ninth Circuit

CARRIE GATES, CHARLES ELMER GATES and
LLOYD GATES, by his guardian, Carrie
Gates,

Appellants,

vs.

GENERAL CASUALTY COMPANY OF AMERICA
(a corporation),

Appellee.

APPELLANTS' OPENING BRIEF.

DAVID E. PECKINPAH,
HAROLD M. CHILD,
L. N. BARBER,

Brix Building, Fresno, California,

Attorneys for Appellants.

FILED

FEB 24 1941

PAUL P. O'BRIEN,
CLERK



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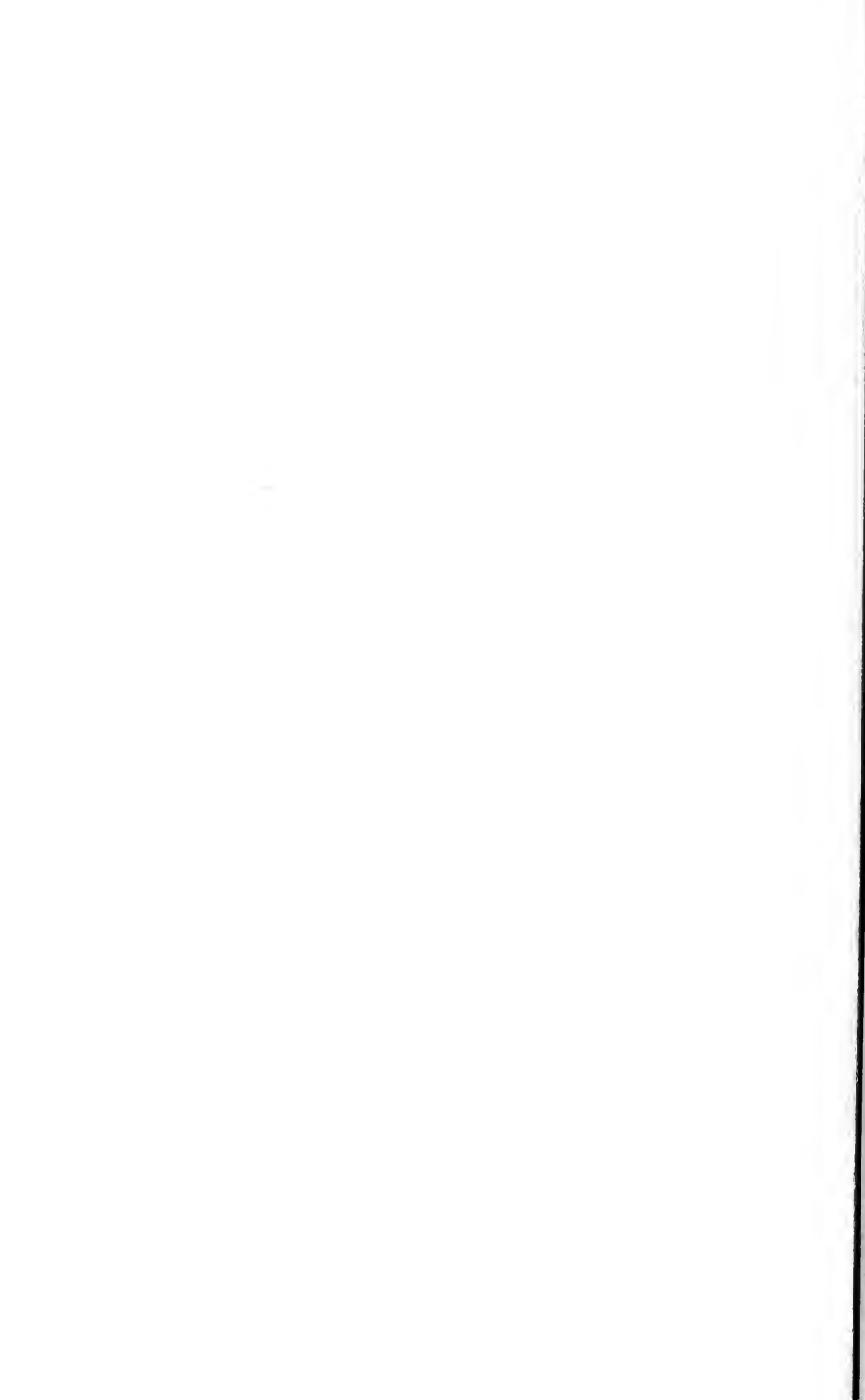
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No. 9707

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Appellants,

vs.

GENERAL CASUALTY COMPANY OF AMERICA
(a corporation),

Appellee.

APPELLANTS' OPENING BRIEF.

JURISDICTION.

The statutory provisions which give the District Court jurisdiction of the above case are: (1) Subdivision (1) of Section 41 of Title 28 of the United States Code, which provides that the District Court shall have original jurisdiction of all suits of a civil nature where the matter in controversy exceeds, exclusive of interest and costs, the sum or value of \$3,000.00, and is between citizens of different states; and (2) Section 71 of Title 28 of the United States Code which provides that any suit of a civil nature, at law or in equity, in any state court, of which the

District Courts of the United States are given jurisdiction, other than those arising under the constitution or laws of the United States or treaties made, or which shall be made, under their authority, may be removed by the defendant therein to the District Court of the United States for the proper district.

The statutory provision which gives this court jurisdiction upon the appeal to review the decision in question is Subdivision (a) of Section 225 of Title 28 of the United States Code, which provides that the Circuit Courts of Appeal shall have appellate jurisdiction to review, by appeal, final decisions in the District Courts in all cases, save where a direct review of the decision may be had in the Supreme Court.

The pleadings showing jurisdiction are: (1) The Complaint (R. 2), filed in the Superior Court of the State of California, in and for the County of Fresno, which declares at law upon a policy or contract of insurance against liability for damages arising from the accident described therein and prays for a judgment in the principal sum of \$5,215.03, exclusive of interest and costs; and (2) the Petition of the defendant for removal of the cause to the District Court of the United States, for the Southern District of California, Northern Division (R. 6), in which it is alleged that at the time of the commencement of the action the plaintiffs, and each of them, were citizens and residents of the State of California, and the defendant was a corporation duly organized and existing under and by virtue of the laws of the State of Washington.

STATEMENT OF THE CASE.

This is an appeal from a judgment in favor of the defendant in an action on a public liability policy issued on the 6th day of June, 1934, for a period of time commencing on June 2, 1934, and ending on June 2, 1935. The plaintiffs are the holders of a judgment against the insured R. O. Deacon Lumber Company, a corporation, for the death of Elmer Gates in an accident which occurred on September 20, 1934. Fraudulent concealment was pleaded as a defense and the court found in substantial conformity with the affirmative allegations of the answer that, prior to the issuance and delivery of said policy, specific inquiry was made of said R. O. Deacon Lumber Company by defendant through the broker or agent for the name of its prior insurance carrier, and the number and other available information on liability and property damage claims against said R. O. Deacon Lumber Company, preceding the application for the insurance policy from defendant; that upon information furnished by said R. O. Deacon Lumber Company through its broker or agent in San Francisco to defendant, defendant issued and delivered the said policy; that in the month of October, 1934, defendant learned for the first time that the statements and information furnished by said R. O. Deacon Lumber Company, in response to defendant's specific inquiry regarding other insurance carriers and the number and other available information on liability and property damage claims against said R. O. Deacon Lumber Company, preceding said corporation's application to defendant, were incorrect and incomplete; that said R. O. Deacon

Lumber Company fraudulently misrepresented the facts to defendant and fraudulently concealed the fact that for a period of time prior to the issuance of defendant's policy, said R. O. Deacon Lumber Company was insured with the Metropolitan Casualty Company, and during said time several serious liability claims for personal injuries and a number of property damage claims were made against said R. O. Deacon Lumber Company, resulting in substantial losses to said Metropolitan Casualty Company, and had said information been furnished defendant in response to a specific inquiry prior to the issuance of said policy, defendant would not have issued or delivered said policy to said R. O. Deacon Lumber Company, and that, upon learning of said concealment of facts for which defendant made specific inquiry, and upon which it would have determined whether it would issue the policy applied for, defendant immediately rescinded said policy of insurance. (R. 20-21.)

The evidence shows that, before the policy was issued, the broker for the insured delivered to defendant a letter written to the broker by the insured in response to an inquiry made at the request of defendant. In this letter it was stated that in the latter part of September, 1933, one of the R. O. Deacon Lumber Company's trucks had an accident and was completely destroyed; that its insurance was then carried by the Maryland Casualty Company, and this loss cost them too much and they withdrew the coverage shortly after that time; that the insurance was then placed with the Madison Insurance Company of Indiana,

which had recently gone into the hands of a receiver. The letter contained the further information that the R. O. Deacon Lumber Company had one accident in December while the Madison carried the coverage, and that there was no damage to its equipment, and, so far as they could find out, only a slight damage to that of the other party. Defendant called up the local office of the Maryland Casualty Company and was informed that it had paid out on account of the R. O. Deacon Lumber Company the sum of \$53.00 or thereabouts on property damage claims and nothing on public liability, for a period of three years in which it had carried the company's public liability and property damage insurance. Defendant made no inquiry regarding the accident of September, 1933, referred to in the letter, or the withdrawal of the coverage on account of excessive losses, according to the information given therein. After the death of Mr. Gates, defendant made an investigation and discovered that from November 10, 1931, to November 10, 1933, the R. O. Deacon Lumber Company was insured against public liability and property damage in the Metropolitan Casualty Company, which had paid numerous losses on the policy, including one which occurred in September, 1933. Upon the expiration of the policy in the Metropolitan Casualty Company, the insured applied for a renewal, but the application was rejected. It is admitted that defendant made no inquiry as to when the applicant was insured in the Maryland Casualty Company, and made no inquiry of any kind from the applicant between the receipt of the above mentioned letter and the issuance of the policy.

The foregoing statement sets forth the evidence in the light most favorable to the appellee, and it is the position of appellants that the findings above set forth are contrary to and unsupported by the evidence.

SPECIFICATIONS OF ERROR.

1. That the evidence is insufficient to support the finding that in the month of October, 1934, defendant learned for the first time that the statements and information furnished by the R. O. Deacon Lumber Company in response to defendant's inquiry regarding other insurance carriers and the number and other available information on liability and property damage claims against said R. O. Deacon Lumber Company, preceding said corporation's application to defendant, were incorrect and incomplete.

2. That the evidence is insufficient to support the finding that the R. O. Deacon Lumber Company fraudulently misrepresented the facts to defendant, and fraudulently concealed the fact that for a period of time prior to the issuance of defendant's policy the R. O. Deacon Lumber Company was insured with the Metropolitan Casualty Company, and that during said time several serious liability claims for personal injuries and a number of property damage claims were made against said R. O. Deacon Lumber Company, resulting in substantial losses to said Metropolitan Casualty Company.

3. That the evidence is insufficient to support the finding that, had said information been furnished de-

defendant in response to its inquiry prior to the issuance of said policy, defendant would not have issued or delivered said policy to said R. O. Deacon Lumber Company.

4. That the evidence is insufficient to support the finding that defendant rescinded said policy of insurance immediately upon learning of the facts which were found to have been concealed.

5. That the evidence is insufficient to support the conclusion of law that the defendant duly and regularly rescinded said policy of insurance and thereby said contract of insurance or indemnity was extinguished.

6. That the evidence is insufficient to support the judgment.

ARGUMENT.

SPECIFICATION OF ERROR NO. 1.

Summary: The information furnished by the R. O. Deacon Lumber Company in response to defendant's inquiry regarding other insurance carriers and the number and other available information upon liability and property damage claims against said company preceding its application to defendant was upon its face incorrect and conflicting, and defendant was in possession of information sufficient to put a prudent person upon an inquiry, which, if pursued with reasonable diligence, would have resulted in the discovery of all of the material facts relating to the subject of the inquiry. Consequently, defendant must be charged

as a matter of law with the knowledge, as of the date of the issuance of the policy, that the statements and information furnished by the applicant in response to defendant's inquiry were incorrect and incomplete.

When an insurance company requires an applicant for insurance to answer inquiries relating to matters which it considers material to the risk, and the answers given are not responsive to the questions asked, and are, on their face, incomplete and uncertain, and the company accepts the premium and issues the policy without further inquiry, all defects in the response to the inquiries are deemed to be waived, and the insurer cannot, after a loss has occurred, be heard to claim that the facts embraced within the scope of the inquiry were not disclosed. When the company, before issuing the policy, has knowledge of facts sufficient to put a prudent person upon an inquiry, which, if pursued with reasonable diligence, would have led to the discovery of all of the material facts, it will be deemed to have issued the policy with knowledge of all of the facts that such an inquiry would have disclosed, and cannot thereafter be heard to claim that it did not discover them until after a loss had occurred.

At 32 C. J. 1343, it is said:

“Where a question appears from the face of the application to be unanswered or imperfectly or insufficiently answered, the company by issuing its policy without further inquiry waives the imperfection and renders it immaterial.”

In *Buffalo Forge Company v. Mutual Security Company*, 83 Conn. 393, 76 Atl. 995, the court quotes from Cooley on Insurance, Vol. 3, page 2634, as follows:

“The issuance of a policy on an application containing ambiguous, indefinite or imperfect answers to questions propounded therein will waive any objection to the answers on the ground of defects therein.”

In *Turner v. Redwood Mutual Life Association*, 13 Cal. App. (2d) 573, 57 P. (2d) 222, a life insurance policy was issued without medical examination. The application, made in 1928, contained the following questions and answers:

“Q. From what illnesses have you suffered during the last three years?

A. Droppage of bladder (fully recovered).

Q. Have you ever had an operation?

A. Operation for small rupture in 1921.”

An operation was performed on the deceased within three years before the application and it was not upon her bladder but on an organ in close proximity to it. The court said there was nothing to show that she didn't believe it was on her bladder and she gave the names of her attending physicians and defendant could have ascertained the exact nature of her illness and treatment had it sought that information before it issued its policy. At page 578 the court said:

“The illness and some treatment, though not the correct organ involved, were disclosed, and only the fact of an operation to effect a cure was withheld. As defendant made no investigation when it should and could have, and as it issued its policy of insurance, accepted Mrs. Turner's money for six years and lulled her into the secure belief that she had a valid policy of life insurance, it

must be held that it waived the misstatement in the application and is now estopped from asserting the purported fraud.”

In *O'Connor v. Modern Woodmen of America*, 110 Minn. 18, 124 N. W. 454, 25 L. R. A. (N. S.) 1244, the application for insurance contained the following question and answer:

“Q. If you use intoxicants at all, state kind and quantity consumed.

A. When I come to town, beer.”

It was held that the substantial fact that the applicant was in the habit of indulging in intoxicating liquors was communicated by the answer and there was no fraud or intentional concealment in failing to include whiskey. The court said:

“The answer was recorded by the Society’s physician, and, if more particular information was desired, he could later have obtained it by further questions.”

In *Fisher v. Missouri State Life Insurance Company*, 97 Fla. 512, 121 So. 799, assured was asked to detail all illnesses, diseases and operations he had had since childhood, giving the nature of such accidents or injuries, the date, duration, results and the names of medical attendants, and answered that he had never had a doctor in his life. Evidence showed that he had consulted a physician and had an x-ray examination and was advised to have an operation for ulcer of the stomach. The court said:

“The evidence fails to show * * * that the insured at the time of answering the questions was

conscious of any affliction or bad health at the time he signed the application.

“The insurance company had the right to require a full and complete answer to the questions propounded in the application, and if it waived the right by accepting the application containing the answers which were not responsive to the questions propounded, it could not complain that it did not receive information to which it was entitled.”

In *Golding v. Modern Woodmen of America*, 213 Mo. App. 171, 250 S. W. 933, the application contained the following questions and answers:

“Q. Have you within the last five years used any medicine, or consulted or been treated by any physician or physicians, or other person in regard to personal ailment?

A. Yes.

Q. If so, give name and amount of medicine used, the names and addresses of each and all physicians or persons consulted, or by whom treated, and dates, ailments, and durations of attacks.

A. Tonsilitis for one week.”

He had been treated for influenza and bronchitis and for bruises suffered in an accident. It was held that the answer, “Tonsilitis for one week” did not necessarily imply that to be the only ailment for which a physician was consulted. The court quotes from Joyce on Insurance, Section 1914 B, as follows:

“Where an answer is upon its face * * * incomplete and the insurer fails to avail itself of

its rights by making further inquiries in regard to the matter, or to do any act evidencing its dissatisfaction therewith, but on the contrary * * * issues the policy, it cannot avoid the contract, even though the answer suggests an affirmative which is false or contrary to the truth.”

The court also quotes from Section 1916 of the same work as follows:

“If partial answers are made, the warranty will not be extended beyond the answer or beyond what the answer fairly imports within the ascertained intent of the parties.”

In *Provident Life and Accident Insurance Company v. Ivy*, 18 Tenn. App. 106, 73 S. W. (2d) 706, the application read in part as follows:

“Q. Have you ever claimed or received indemnity for any injury or illness?

A. \$400.00 T. P. A. Injury. Full recovery.

Q. Has any accident or health or life insurance company or association ever rejected or postponed your application, cancelled your policy or certificate or declined to renew the same? (If so, state what company or association did it, when and why.)

A. No.”

Assured had previously had policies in three fraternal associations, had been injured and collected approximately \$400.00 from each, and they all cancelled the insurance. It was held that this was not such a misrepresentation that if the company had been informed about it they would not have issued the policy. The court said:

“Failure to inform it of the other two companies did not increase the risk of loss.”

It was held further that the two questions and answers thereto, taken together, were sufficient to put the company upon inquiry as to what had become of the policy mentioned in the answer to the first question.

In *Smith v. North American Accident Insurance Company*, 46 Nev. 30, 205 Pac. 801, the application contained the following question and answer:

“Q. Have you ever been ruptured or suffered the loss of a hand, foot or eye; had diabetes, kidney diseases, tuberculosis, syphilis, paralysis, varicose veins or any sickness or disorder of the brain, heart, spine or nervous system or any bodily or mental infirmity, except as herein stated?

A. Four toes left foot gone.”

The evidence showed that at the time of the application the assured had tuberculosis. It was held that the company waived the incompleteness of the answer by issuing the policy without further inquiry.

In *Rabin v. Central Business Men's Association*, 116 Kan. 280, 226 Pac. 764, 38 A. L. R. 26, the application contained the following:

“Q. Have you ever made claim or received indemnity on account of any injury or illness? If so, give companies or associations, dates, amounts and causes.

A. Yes, about eight years ago; have forgotten the name of company.”

The insured had, within six years, made claims for and received indemnity on account of injuries from three different companies. The court said:

“The rule seems to be well recognized that when, upon the face of an application, a question appears not to be answered at all, or to be incompletely answered, and the insurer issues a policy without further inquiry, it waives the incompleteness of or failure to answer, as the case may be, and renders the failure to answer immaterial. (Authorities.) The court did not err in taking this defense from the jury.”

At 14 *R. C. L.* 1186, it is said:

“An insurer, by receiving an application for life insurance with questions therein contained partially answered and issuing a policy thereon thereby waives the imperfections in the answers, and renders the omission to answer more fully immaterial.”

In *Allen v. Phoenix Assurance Company*, 14 Idaho 728, 95 Pac. 829, the application contained the following:

“Q. What is your title to ground?

A. Donated to mill.

Q. Is property mortgaged? How much?

No Answer.”

The policy contained a provision that it should be void if the interest of the insured be other than unconditionally a sole ownership, or if the subject of insurance be a building on ground not owned by the insured in fee simple, or if the subject of insurance

be personal property and be or become encumbered by a chattel mortgage. Insured did not own the land on which the mill was situated and the personal property was mortgaged. The court said:

“If these answers were insufficient to fully advise the company so that it could write an insurance policy or accept the risk, it was the duty of the company to require such questions to be fully and satisfactorily answered before the policy was written or delivered. The issue of a policy upon an application is a waiver of all matters of sufficiency of form or disclosures called for by the questions.”

In *Peterson v. Manhattan Life Insurance Company*, 244 Ill. 329, 18 Ann. Cas. 96, 91 N. E. 466, the application contained the following:

“Q. Give the names and addresses of physicians who have attended you or whom you have consulted during the last ten years and for what diseases.

A. Has not been sick.”

The evidence showed that the deceased had muscular rheumatism within the ten years past and consulted a physician at that time. The court said:

“To say ‘has not been sick’ does not answer any part of the question. It may be, as suggested by defendant in error, that in view of the history of this applicant the conclusion should be that this answer was a palpable evasion, made for the purpose of avoiding a recitation of facts that that would lead to a rejection of the application for insurance. But the company did not elect to

require an answer to the question. On the contrary, it issued the policy with that evasion appearing in the medical examination. If the answer was good enough when the company desired to collect premiums from the applicant, it ought to be good enough when the company is called upon to pay. By issuing the policy the company waived any answer to this question.”

In *Sterling Life Insurance Company v. Rapps*, 130 Ill. App. 121, the following question and answer were incorporated within the policy:

“Q. What is your present use of liquors and narcotics (state amount and kind used and whether daily)?

A. Drink occasionally.”

The court said:

“If appellant desired any further information as to the habits of insured with respect to the use of intoxicating liquors, it should have insisted upon a full and complete answer to the question. Having failed to do so, and having issued its certificate, appellant must be held to have waived any further answer to the question. The insured gave his occupation as ‘saloon keeper’ and stated that he drank intoxicating liquors occasionally. This was ample notice to appellant of insured’s habits in that regard, and it cannot be heard to say, in the absence of proof to the contrary, that the occasional use of intoxicating liquors was excessive, because any use of intoxicating liquor by him tended to aggravate his liver trouble and induce bilious attacks.”

In *L. Black Company v. London Guarantee and Accident Company, Ltd.*, 159 N. Y. App. Div. 186, 144 N. Y. S. 424, the court quotes from Richards on Insurance Law (3rd ed.), Section 113 as follows:

“If a question in the application is not answered at all, or if the answer is not false in any respect but upon its face is only incomplete, there is no breach of warranty, provided the insurer accepts the application without objection, since, if not satisfied, the company should demand fuller information. So also, to avoid forfeiture, equivocal answers are construed most strongly against the company, but, notwithstanding this, the applicant must answer in good faith and not attempt to evade, conceal or mislead.”

In *Gates v. Madison County Insurance Company*, 5 N. Y. 469, it was held that the applicant for insurance against fire, in the absence of any special provisions, is only required to answer fully and in good faith, all inquiries addressed to him on the subject, and not to misrepresent or designedly conceal any facts material to the risk. The policy contained the following:

“Q. How bounded, and the distance from other buildings, if less than ten rods.

A. The nearest building east is the dwelling house occupied by Charles Eggleston, which is about 48 feet; on the north, and about five rods distance, is a shop * * *, and on the west, the nearest building to the west end of the barn and shed, is the dwelling house occupied by Benjamin Fraser, which is about 14 feet distance, * * *.”

There were other buildings within the distance of ten rods which were not mentioned. It was held that the omission to mention the other buildings did not amount to a concealment, fatal to the contract, even though they were hazardous.

In *Carson v. Jersey City Insurance Company*, 43 N. J. L. (14 Vroom) 300, the following was incorporated in the policy:

“Q. Is there any encumbrance on the property?”

A. Expects to borrow \$3000.00 and use the policy as collateral.

Q. If mortgaged, state the amount.

No answer.”

There were four mortgages on the property. By the provisions of the policy the answers to the questions were made warranties, but it was held that there was no warranty as to encumbrances. The court said:

“If the applicant had falsely answered the inquiries propounded with respect to encumbrances, the policy would be avoided for breach of a condition of insurance. But he studiously refrained from making any answers to the inquiry on the subject. The paper was incomplete in that respect.

“* * * When a policy is issued on a written application for insurance, and any of the questions are left unanswered, the objection must be made before the policy is issued. A policy issued upon such an application is a waiver of the right to the information called for by the inquiry unanswered, and the contract of insurance will be considered as based only on the answers given to

inquiries to which the applicant has responded. If the insurer issues a policy upon an uncompleted application for the insurance, he cannot afterwards avoid the policy on the ground that the answers were not full."

In *Coleman Mutual Aid Association v. Clark* (Tex.), 63 S. W. (2d) 270, it is held that statements in an application which are sufficient to put the insurers upon an inquiry furnish them with notice of such facts as they might be presumed to learn on reasonable inquiry.

At 20 *R. C. L.* 346 it is said:

"Whatever fairly puts a person on inquiry is sufficient notice, where the means of knowledge are at hand; and if he omits to inquire, he is then chargeable with all the facts which, by a proper inquiry, he might have ascertained. This, in effect, means that notice of facts which would lead an ordinarily prudent man to make an examination which, if made, would disclose the existence of other facts is sufficient notice of such other facts. A person has no right to shut his eyes or his ears to avoid information, and then say that he had no notice; he does wrong not to heed the 'signs and signals' seen by him. It will not do to remain wilfully ignorant of a thing readily ascertainable. It has been said that want of actual knowledge in such a case is a species of fraud. The rule has sometimes been said to be that whatever puts a person on inquiry amounts, in judgment of law, to notice, provided the inquiry becomes a duty, and would lead to the knowledge of the requisite fact by the exercise

of ordinary diligence and understanding. It has also been said that wherever inquiry is a duty, the person bound to make it is affected with knowledge of all which he would have discovered had he performed the duty. Means of knowledge with the duty of using them are, in equity, equivalent to knowledge itself. Where there is a duty of finding out and knowing, negligent ignorance has the same effect in law as actual knowledge. The latter statements, however, do not vary the general rule by imposing a duty to make inquiry as an element of notice, for when one has actual knowledge of such facts as would put a prudent man on inquiry, it becomes his duty to make inquiry, and he is guilty of bad faith if he neglects to do so, and consequently he will be charged with the actual notice he would have received if he had made the inquiry.’’

In *E. A. Boyd Co. v. U. S. Fidelity & Guaranty Company*, 35 Cal. App. (2d) 171, 94 Pac. (2d) 1046, the defendant bonding company was held estopped to set up as a defense the failure of the plaintiff, in applying for a bond for an employee, to disclose the fact of the employee’s previous defalcation, for the reason that defendant had sufficient information at the time of issuing the policy to place a reasonably prudent person on inquiry.

The inquiry which the court found to have been addressed by the defendant to R. O. Deacon Lumber Company calls specifically for the name of the applicant’s prior insurance carrier. It also called for the number and other available information on lia-

bility and property damage claims against the applicant preceding the application. The inquiry was found by the court to have been made through the broker, and the evidence shows that the answer was given in certain statements made by the broker to defendants' agents, and in a letter from the applicant to the broker, which the broker in turn delivered to defendant. Ben C. Sturges, assistant manager of defendant, testified that the broker told him that the previous carriers were the Maryland Casualty Company and the Madison-Chicago, which had recently retired from the state, that the Maryland had had a satisfactory record, the total claim payments being something like \$58.00, that the Madison had had only some trivial claims, not involving any personal injuries, and no accident frequency beyond the normal expectancy, and that the broker claimed that the two companies covered the period of several years. (R. 27.) On cross-examination the witness admitted that the broker told him that he would secure further information from the Deacon Lumber Company and submit it to defendant's office, and that he then submitted the letter designated as Plaintiff's Exhibit 2, along with other information. (R. 33.)

The letter was dated May 5, 1934, and the material portions read as follows:

“The latter part of September, 1933, one of our trucks had an accident and was completely destroyed. Our insurance was then carried by the Maryland Casualty and this loss cost them too much and they withdrew the coverage shortly

after that time. We then placed the insurance through a local agency with the Madison Insurance Company of Indiana. This company recently went through receivership and our insurance is of no value. * * *

“We had one accident of small consequence at Turlock in December during the time Madison carried the coverage. We have not yet been able to find out whether the loss was settled before they failed. There was no damage to our equipment and so far as we could find out only slight damage to that of the other party.”

The witness testified that he had no conversation with Mr. Drenth in reference to the subject matter of the letter; that the letter was in the office; that Mr. Drenth delivered it to the office and the witness read it afterwards, but not while Mr. Drenth was there; that he did not personally, after reading the letter, call Mr. Drenth and discuss it with him; that he had Mr. Haney do it, and then they issued the policy; that he did not have any of their Fresno agents check up on the information contained in the letter. (R. 35.) He further testified that he recalled only two conversations that he had with Mr. Drenth in reference to this insurance; that the second conversation took place probably a week or ten days after he originally discussed the matter with him; that he had the first conversation with him previous to May 5; that the second conversation was sometime subsequent to that date; that he did not recall just how many days; that he would judge within a week. (R. 36.) His version of the second conversation was as follows:

“Well, he stated that he had secured the information from the Deacon Lumber Company, had submitted it to our office, and he stated that the Maryland Casualty Company had had one claim, and small claims in the Madison. That is all I recall was discussed.”

He testified that there was no further discussion because it had been submitted to their underwriting department; that he told Mr. Drenth that the underwriting department would review the matter and then if they reported favorably, the policy would be issued; that the list of cars included in the fleet, together with the several coverages were submitted to Mr. Haney; that he is the chief underwriter in the office and the correspondence which Mr. Drenth stated that he had received was turned into defendant's office so that the two matters were at that time to have consideration. (R. 37.) The witness said that in his first conversation with Mr. Drenth the latter stated that he understood the line was satisfactory, and that it had been represented to him as such, and it was at that time that he told Mr. Drenth that before they could entertain it, they must have the previous carrier's experience in relation to claim experience; that Mr. Drenth stated that he would secure the information from his clients in due time. (R. 38.)

Mr. Haney testified that Mr. Drenth spoke to him personally and told him that he understood the experience was good, and said that he would get the accurate information as to the exact experience on that line; that he saw him after that time and had a con-

versation with him about it; that the second conversation brought out that the Maryland Casualty Company had been on the line, and had a small amount of losses, somewhere around \$50.00 or \$53.00 in property damage, and no public liability losses; that they had their insurance for a short time in the Madison; that their losses there were very small; and that their insurance was useless because the Madison had retired. (R. 40.) He identified a paper which he said Mr. Drenth had given him on which were written the words "Maryland" and "No losses. P. D. claims amounted to only \$53.00 in three years". (R. 41.) The witness further testified that he did not see the letter marked Plaintiff's Exhibit 2, and in his conversation with Mr. Drenth, he asked him the names of the insurance carriers of the R. O. Deacon Lumber Company; that the names given were Maryland Casualty Company, and the Madison, and that in acting in this manner, he relied upon the statements made by Mr. Drenth to him. (R. 44.) Upon cross-examination he testified that his first conversation with Mr. Drenth was in the early part of May, and that he had another conversation with him which took place around the first couple of days in June. At that time Mr. Drenth came in with a list of the equipment and with the information that the Maryland Casualty Company and the Madison had been (R. 45) on the line. With the information as given him by Mr. Drenth and having one of the girls check with the Maryland Casualty Company to see that the report was correct as far as the Maryland was concerned, and deciding that they

could not check with the Madison because it had withdrawn from the state, he took Mr. Drenth's word for the accuracy of the experience and accepted the line without any other inquiry. When they checked with the Maryland, that company gave them an experience of around \$53.00 or \$54.00 in property damage and no public liability. That was all they were interested in because they were only writing public liability and property damage. The witness did not ask the Maryland Casualty Company about one of the trucks of the Deacon Lumber Company being completely destroyed, nor did anyone under him ask them. No one under him within his knowledge called up R. O. Deacon and asked him about that. He did not make any inquiry from Mr. John Drenth in reference to the Maryland Casualty Company not having a record of a complete loss of a truck. He asked him for the experience of the Maryland Casualty Company (R. 46) which he gave. The witness further testified that he did not inquire of the Maryland Casualty Company if they had ever cancelled the policy for the R. O. Deacon Lumber Company. He just simply asked them if they had a loss of \$58.00; that is all he asked them. (R. 47.) Mr. Drenth testified that a collision insurance policy would not be placed with the Maryland Casualty because they were not writing collision on trucks (R. 72); that the Maryland Casualty Company is an indemnity company and writes liability and property damage coverage, and that fire and theft and collision is placed in another company. (R. 78.)

The inquiry addressed to the R. O. Deacon Lumber Company by defendant was entirely indefinite as to the period of time to be covered by the report, and was indefinite as to the particulars to be given, except as to the number of claims. A statement that a particular loss occurred at a given time does not constitute a representation that it was the only loss which occurred during the existence of the corporation, or during any particular period of time. The inquiry did not call for the name of any insurance carrier, except the last one, which was fully answered by giving the name of the Madison. According to the authorities hereinabove cited, if the defendant desired any more definite information than that afforded by the reply which it received, it should have made such further inquiry as would have been sufficient to elicit the necessary information. In the absence of such further inquiry, the applicant is not bound to make any further disclosure. The information that another company withdrew the coverage on account of excessive losses was sufficient to lead any prudent insurance company to reject the risk, unless by investigation it should be ascertained that the other company's refusal was unjustified.

After it had been ascertained by inquiry at the office of the Maryland Casualty Company that the losses paid by that company amounted to \$53.00 on property damage claims and nothing on public liability, common prudence, in the light of the information contained in Mr. Deacon's letter, would have suggested the further question whether or not that

company was carrying the insurance in September, 1933. That inquiry would have disclosed the fact that the Maryland Company was not carrying the insurance at that time, and Mr. Deacon could then have been given an opportunity to correct his mistake in the name of the company to which he referred in his letter. Even in the absence of further inquiry from the Maryland, it was evident that the fact that the company had suffered losses of only \$53.00 was inconsistent with the statement that it had refused further coverage on account of a heavy loss. Ordinary prudence required that the discrepancy be called to the attention of Mr. Deacon, and that he be required to explain it before the policy was issued. Mr. Haney testified that he never saw the letter, but that was not the fault of the insured. The broker could do no more than deliver the letter to a duly authorized agent of the company, who participated in the negotiations, and his principal cannot be charged with failure to disclose the facts revealed by its contents, due to the fact that they were never brought to the attention of the agent who made the investigation. Information imparted to one agent of a company in dealing with the insured may be imputed to the company and to another agent participating in those dealings, though in fact the second agent is ignorant of the information imparted to the first. (*Lewis v. Guardian Fire & Life Assurance Co.*, 181 N. Y. 392, 74 N. E. 224; *E. A. Boyd Co. v. U. S. Fidelity & Guaranty Co.*, 35 Cal. App. (2d) 171, 94 Pac. (2d) 1046.)

For the foregoing reasons knowledge of all of the facts which defendant subsequently learned by inquiry from the Metropolitan Casualty Company must be imputed to defendant as of the date of the issuance of the policy.

SPECIFICATION OF ERROR NO. 2.

Summary: The evidence shows that the R. O. Deacon Lumber Company did not make any false statements as to any material fact and further shows that said insured, in good faith, disclosed sufficient facts to enable defendant to determine the acceptability of the risk. Consequently, the finding of intent to deceive, which is implied in the finding of fraud, is not supported by the evidence.

One of the essential elements of fraud, whether it consists in representation or concealment, is the intent to deceive. At 29 *Am. Juris.* 422, it is said:

“A misrepresentation in insurance is a statement as a fact of something which is untrue, and which the insured states with the knowledge that it is untrue and with an intent to deceive, or which he states positively as true without knowing it to be true, and which has a tendency to mislead, where such fact in either case is material to the risk.”

In this case there is no evidence to support the conclusion of intent to deceive on the part of the R. O. Deacon Lumber Company. The record shows no misrepresentation of any material fact and no failure

to disclose anything which Mr. Deacon had any reason to believe to be material to the risk. He frankly stated the principal fact material to the risk, that he had been refused insurance on account of a bad record of losses, and there was nothing in defendant's inquiry to put him on notice as to what particular details of that loss record defendant considered material. The number of losses involved could only be material in relation to the period of time in which they occurred, and there was no period of time mentioned in the inquiry. Aside from the number of claims, the request was only for "available information". In the absence of any further inquiry, he had the right to believe that defendant was satisfied with the information given. The answer implied no representation that the loss mentioned was the only one which the applicant ever sustained, nor does the statement that the Maryland Casualty Company was carrying the insurance at that time imply that it was the only company which ever carried applicant's insurance. The name of the company which paid the loss and cancelled the insurance was not a matter material to the risk. Its only use to defendant was to facilitate investigation. If no inquiry was made of the company named, the error was harmless. If such inquiry was made, the answer could only be that the company had suffered no such loss and was not carrying the insurance at that time. That, at most, would only have put defendant to the trouble of calling applicant's attention to the error and insisting that the name of the right company be given. From the fore-

going facts, which are the only material facts established by the evidence, it is impossible for a reasonable mind to draw the inference of intent to defraud.

SPECIFICATION OF ERROR NO. 3.

Summary: Appellee is in no position to claim that, if it had been informed of the claims made against the Metropolitan Casualty Company, it would not have issued the policy to the R. O. Deacon Lumber Company, since it had information that said insured had been refused insurance on account of excessive losses, and, knowing that it had no detailed information of any kind concerning the loss experience which led to the refusal, it failed to make any effort to secure such information.

It is an essential element of either a cause of action or a defense based upon misrepresentation or concealment that the party setting up the claim of fraud must have relied upon the representations in the one case, or relied upon the other party to disclose the facts claimed to have been concealed, in the other, and, further, that he must have been induced thereby to enter into the contract. At 23 *Am. Juris.* 939, it is said:

“It is a fundamental principle of law of fraud, regardless of the form of relief sought, that in order to secure redress, the representee must have relied upon the statement or representation as an inducement to his action or injurious change of position. Moreover, the representation must be

the proximate cause of such action or change of position; that is, it must have been acted upon in the manner contemplated by the party making it or else in some manner reasonably probable.”

Certainly Mr. Deacon could never have contemplated as reasonably probable that defendant would ascertain the loss record of the Maryland Casualty Company and issue a policy in reliance upon that, to the exclusion of the other information given in his letter. Nor could he have reasonably contemplated that defendant would be led to ignore the information that he had been refused insurance on account of losses, by his failure to give the details of the losses. At 23 *Am. Juris.* 947, it is said:

“The principle is well established that in order to secure relief on the ground of fraud, the complainant must have had, under the circumstances of the case, a right to rely upon the misrepresentation which is sought to be made the basis of the charge of fraud. The representation must have been made to him either directly or indirectly and must have been of such a nature that it was reasonably calculated to deceive him and to induce him to do that which otherwise he would not have done.”

Defendant could not reasonably have been deceived or induced to enter into the contract of insurance by reason of the failure of insured to disclose the number and other details of the claims made against the Metropolitan Casualty Company upon the prior insurance. It was fully informed of the fact that the applicant had a loss record which had led to a rejec-

tion of the risk by another company. No insurance company, with that information in its possession, would issue the policy merely because it had not been furnished with a detailed history of the losses. Any underwriter having possession of his faculties would, if he were not entirely indifferent to the matter of previous experience, either reject the application or make an investigation to find out if the other company's rejection was justified. Having pursued the investigation no further than to ascertain that the experience of the Maryland Casualty Company had been satisfactory, defendant must be deemed to have been satisfied to issue the policy in reliance upon that experience, regardless of the probability that Mr. Deacon had been mistaken in the name of the company, which had the experience described in the letter. This conclusion may seem artificial, in view of Mr. Haney's testimony that he did not see the letter, but it is unavoidable as a matter of law, because the corporate principal is in law a single individual, and cannot split its personality to avoid the consequences of failure of two of its agents to cooperate, when such failure has led to a situation in which either the corporation or an innocent party must suffer loss.

SPECIFICATION OF ERROR NO. 4.

Under the head of Specification of Error No. 1, we have presented our argument in support of the view that appellee must be charged with knowledge, as of the time of issuing the policy, of the facts which

the Court found to have been concealed. Therefore, it cannot be heard to claim that it rescinded the policy immediately upon learning of those facts.

SPECIFICATION OF ERROR NO. 5.

The evidence fails to support the conclusion that the policy was extinguished by a due and legal rescission because, as hereinbefore pointed out, it fails to show either a legal ground for rescission, or that a timely notice was given.

SPECIFICATION OF ERROR NO. 6.

For the foregoing reasons, and for the reason that the findings upon all other points were in favor of appellants, the evidence is insufficient to support the judgment.

For the foregoing reasons, the judgment should be reversed.

Dated, Fresno, California,
February 24, 1941.

Respectfully submitted,

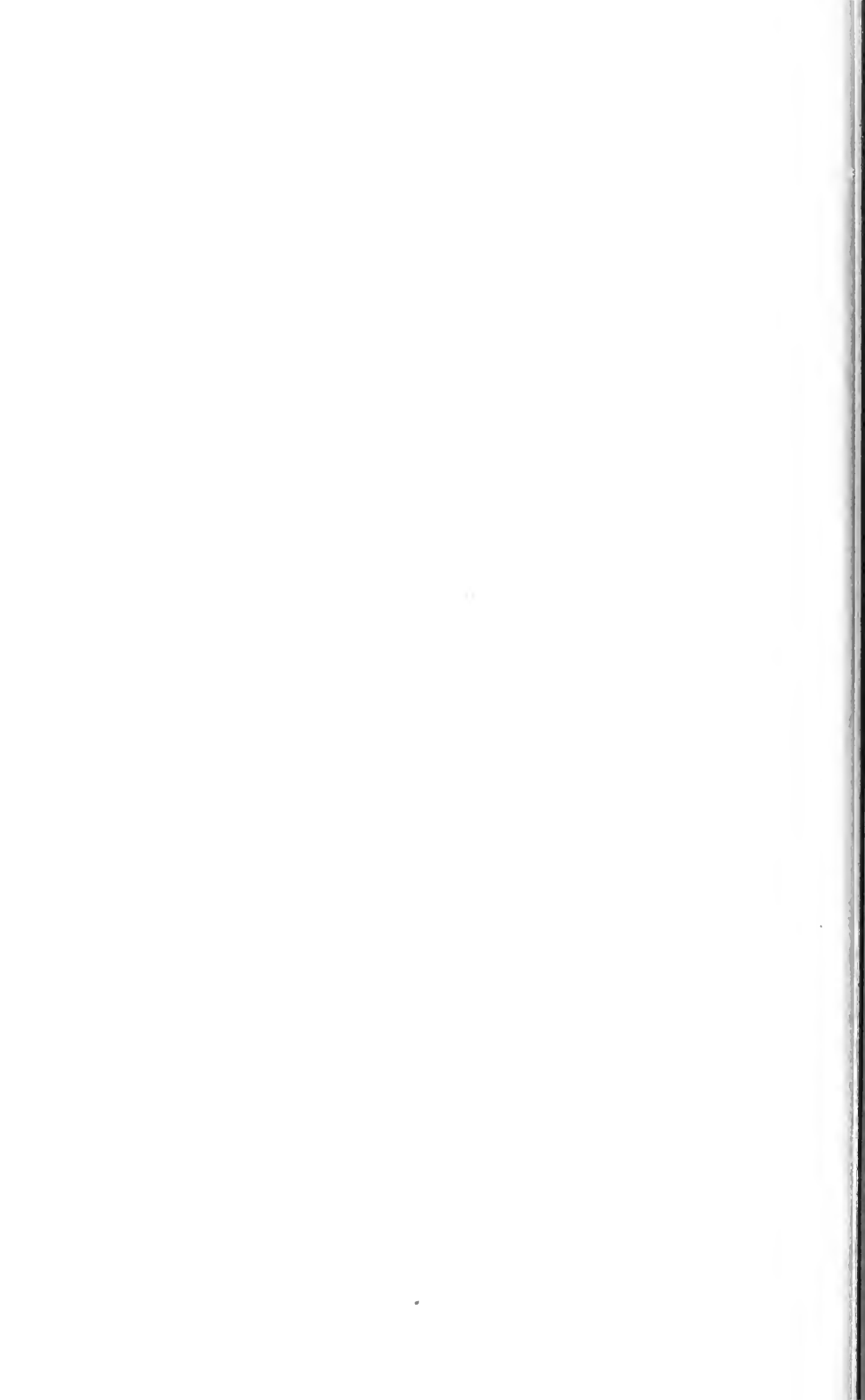
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No. 9707

IN THE
United States Circuit Court of Appeals
For the Ninth Circuit

CARRIE GATES, CHARLES ELMER GATES and
LLOYD GATES, by his guardian, Carrie
Gates,

Appellants,

vs.

GENERAL CASUALTY COMPANY OF AMERICA
(a corporation),

Appellee.

BRIEF FOR APPELLEE.

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PAUL P. O'BRIEN,

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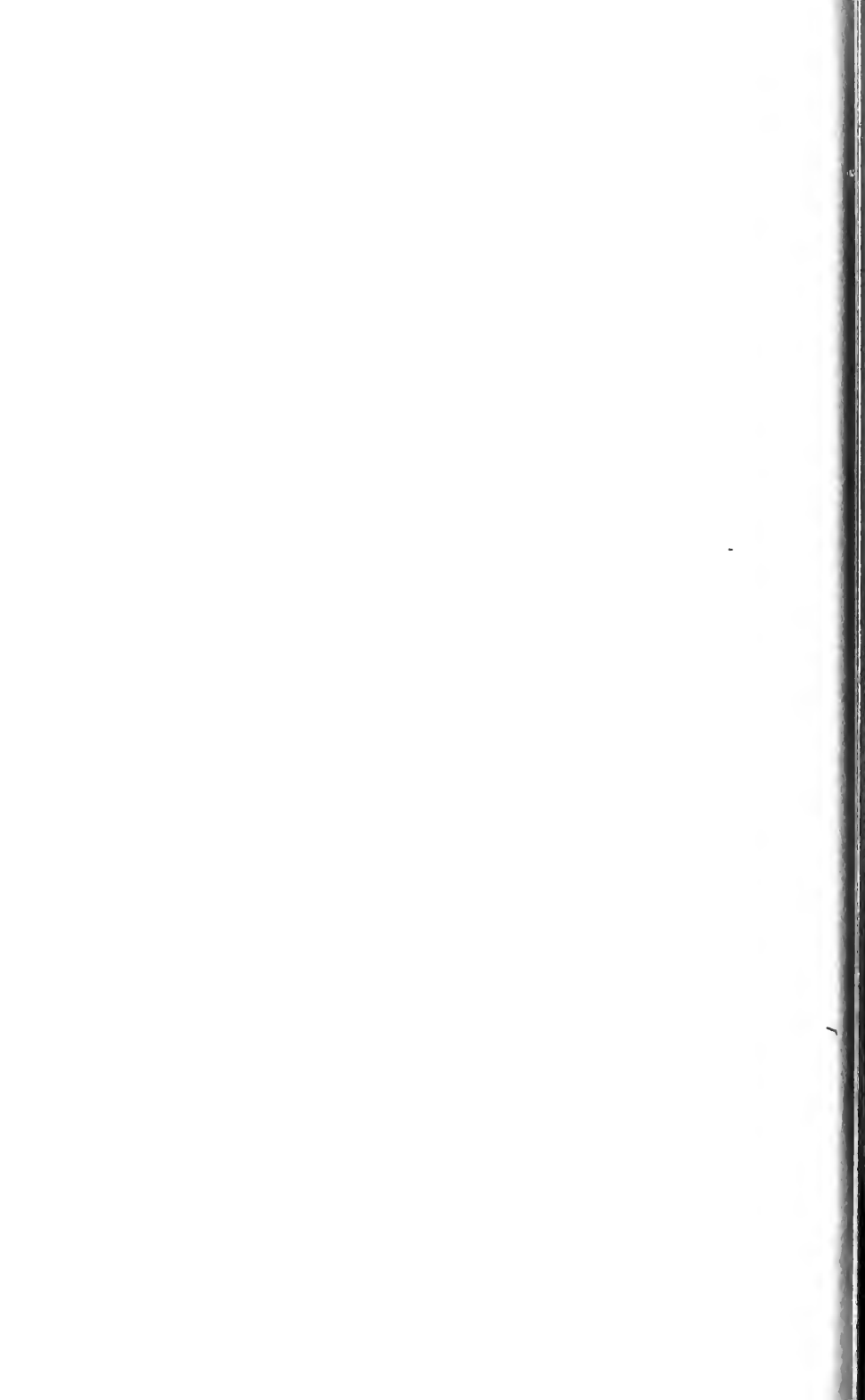
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IN THE
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CARRIE GATES, CHARLES ELMER GATES and
LLOYD GATES, by his guardian, Carrie
Gates,

Appellants,

vs.

GENERAL CASUALTY COMPANY OF AMERICA
(a corporation),

Appellee.

BRIEF FOR APPELLEE.

STATEMENT OF JURISDICTION.

The appellee does not controvert the statement of jurisdiction contained in appellants' opening brief. (App. Op. Bf. pp. 1-2.)

The complaint was originally filed in the Superior Court of the State of California in and for the County of Fresno. (Tr. pp. 2-5.) It stated a cause of action to recover the sum of \$5000, interest, and costs, upon a policy of automobile liability insurance issued by defendant. (Tr. pp. 2-3.) A verified petition to remove the cause to the District Court of the United States for the Northern Division of the Southern

District of California was filed by the defendant. (Tr. pp. 6-9.) This petition alleged that plaintiffs were residents and citizens of the state of California; that defendant was a nonresident of the state of California, a resident of the state of Washington, and a Washington corporation; and that the matter in controversy exceeded, exclusive of interest and costs, the sum or value of \$3000. (Tr. p. 7.) The Superior Court granted the petition, approved the removal bond, and the cause was removed to the said District Court. (Tr. pp. 10-11.) The removal proceedings are sustained by the Judicial Code, section 28, amended. (28 U.S.C.A., sec. 71.) Jurisdiction of the District Court is therefore sustained by the Judicial Code, section 24, amended. (28 U.S.C.A., sec. 41.)

The final judgment of the District Court was entered on July 15, 1940. (Tr. pp. 23-24.) Timely notice of appeal was filed October 14, 1940. (Tr. pp. 25-26.) Jurisdiction of this court upon appeal to review the said judgment of the District Court is therefore sustained by the Judicial Code, section 128, amended. (28 U.S.C.A., sec. 225.)

STATEMENT OF THE CASE.

Appellants conclude their statement of the case with the claim that they have set forth the evidence "in the light most favorable to the appellee". (App. Op. Bf. p. 6.) The appellee controverts the statement of the case presented by appellants. The appellee therefore makes its own statement of the case.

Late in April or early in May, 1934, the R. O. Deacon Lumber Company, a corporation doing business in Kings County, California, made application to John Drenth, an insurance broker in San Francisco, to place public liability and property damage insurance on a fleet of trucks used in the business of the applicant. (Tr. p. 55.) The applicant informed Drenth that it was uninsured because the Madison Insurance Company, which had been carrying the insurance, had gone into liquidation. (Tr. p. 55.)

Drenth was an experienced broker, and his experience had taught him that where trucks were concerned it was very hard to place insurance of the type sought. (Tr. p. 55.) He asked the appellee to issue a policy of public liability and property damage insurance to his principal. (Tr. p. 27.) He talked with Mr. Sturgess who supervised the underwriting for appellee (Tr. pp. 26-27), and he also talked with Mr. Haney who was the chief underwriter for appellee. (Tr. pp. 39-40.) Both told him that the appellee would issue a policy if it was satisfied with the principal's record in former years. (Tr. pp. 27, 40.) Both asked Drenth for the names of former insurance carriers on the line together with information as to the number and character of liability and property damage claims during three or four years past. (Tr. pp. 27, 35, 40, 45.)

Drenth stated to Sturgess and Haney that he would procure the desired information from his principal. (Tr. pp. 36, 40.) He also stated that the information he had showed that the Maryland Casualty Company

and the Madison Insurance Company were the former carriers on the line and that their loss records were small. (Tr. p. 27.)

Under date of May 3, 1934, Drenth wrote to his principal asking for the information desired by appellee's specific inquiry, but confining the time to "the past year". (Tr. p. 59.) Under date of May 5, 1934, the principal answered this letter, mentioning the Maryland Casualty Company and the Madison Insurance Company and referring to an accident "of small consequence" in December, 1933, while the latter company was carrying the line. (Tr. pp. 33-34.) The principal also referred to an experience of the Maryland Casualty Company with collision insurance—a type of insurance for which the principal was not applying. (Tr. p. 34.) Upon receipt of this information from his principal Drenth told the appellee that for several years previous the carriers of the line had been the two companies mentioned. (Tr. pp. 27-28.)

Before accepting the risk, appellee communicated with the Maryland Casualty Company as to its experience with the public liability and property damage insurance and received confirmation of Drenth's statement that the loss record of that company was small. (Tr. pp. 45-46.) The appellee was not interested in other types of insurance which the Maryland may have written and no check was made concerning any experience of the Maryland with collision insurance. (Tr. p. 46.) Information from the Madison Insurance Company was not available. (Tr. p. 43.)

Acting upon the information thus received from the principal and his agent (Tr. p. 28), the appellee, as insurer, insured the fleet of trucks, and issued the policy in suit to R. O. Deacon Lumber Company, as insured, on June 2, 1934. Coverage thereunder was confined to two types of insurance: 1. Public liability insurance, that is, indemnity against liability of the insured to others for bodily injuries or death; 2. Property damage insurance, that is, indemnity against liability of the insured for damage to property of others. Coverage thereunder did not extend to collision insurance, that is, protection to the insured against damage to its own vehicles resulting from impact with other objects.

When the policy was issued the insured paid part of the premium and undertook the payment of the balance in monthly installments. (Tr. pp. 31-32.) The deferred balance was evidenced by a promissory note executed by the insured. (Tr. p. 32.)

One of the trucks insured under the policy was involved in an accident on September 20, 1934, and the death of one Elmer Gates was thereby caused. (Tr. pp. 18-19.)

This accident was reported to the appellee, and it entrusted the investigation thereof to H. H. Munroe, an employee in its claims department. (Tr. pp. 50-51.) During his investigation Munroe was informed in Fresno County that the Metropolitan Casualty Company had formerly carried the public liability and property damage insurance on the fleet of trucks. (Tr. p. 51.)

When he returned to San Francisco in the early part of October, 1934, Munroe communicated with the Metropolitan Casualty Company, examined its records, and ascertained its experience with the line. (Tr. pp. 51-52.) He discovered that the Metropolitan had been a former carrier of the line and had encountered numerous liability and property damage claims against the R. O. Deacon Lumber Company. (Tr. pp. 51-52.) He reported to appellee that the Metropolitan had been a former carrier of the line with an unsatisfactory experience, both as to frequency of claims as well as the total amount of claims paid. (Tr. p. 28.)

Based upon the information thus discovered by Munroe the appellee rescinded the insurance on October 5, 1934 (Tr. pp. 29-30), and returned to the R. O. Deacon Lumber Company the part of the premium paid and the note evidencing the unpaid balance of the premium. (Tr. pp. 31-32.)

Nearly a month after the insurance was thus rescinded the heirs of Elmer Gates (appellants herein) brought action against the R. O. Deacon Lumber Company to recover damages for the wrongful death of said Elmer Gates. (Tr. p. 19.) Judgment was entered in their favor on November 20, 1936, for the sum of \$5000, interest, and costs, and the judgment became final on August 27, 1938. (Tr. p. 19.)

With the said judgment forming the basis, the present action was commenced by appellants (as plaintiffs) on May 23, 1939, to recover on the said policy of insurance issued by appellee on June 2,

1934, and rescinded on October 5, 1934. (Tr. pp. 2-5.) The appellee (as defendant) defended on the ground that the issuance of the policy had been procured through fraudulent misrepresentations and concealment on the part of the insured and that after discovery of the fraud the insurance had been promptly rescinded. (Tr. pp. 13-15.) The trial court sustained this defense (Tr. pp. 20-21), and judgment was accordingly entered for defendant. (Tr. pp. 23-24.)

A procedural question is suggested by the manner in which the appellants are presenting their appeal. Under Rule 19 (6) of this court the appellants filed a statement of the points to be relied upon on appeal with reference to the printing of the record on appeal. (Tr. p. 90.) It was said by this court in *Sampsell v. Anches*, 108 F. 2d 945, at page 948, that a "statement of points" by an appellant is a limitation upon the number and character of the specifications of error in his brief, and that the court "will consider nothing but the 'points to be considered on appeal' as stated in the direction to the clerk of this court to print the record". Four points were stated by appellants in their direction to the clerk of this court to print the record. (Tr. pp. 89-90.) Six specifications of error are contained in their opening brief. (App. Op. Bf. pp. 6-7.)

The specifications of error now made in the brief call upon the court to consider points which were not stated in the direction to the clerk to print the record. For example, in their statement of the first point

relied upon the appellants merely challenged the sufficiency of the evidence to support “the findings of fraudulent misrepresentation and concealment by the insured *with respect to its losses on public liability and property damage claims during the time prior to its application for the policy issued by appellee*”. (Tr. p. 90.) (Emphasis added.) In Specification of Error No. 2 the stated point is elaborated into a challenge that “the evidence is insufficient to support the finding that the R. O. Deacon Lumber Company fraudulently misrepresented the facts to defendant, and fraudulently concealed the fact that for a period of time prior to the issuance of defendant’s policy the R. O. Deacon Lumber Company was insured with the Metropolitan Casualty Company, and that during said time several serious liability claims for personal injuries and a number of property damage claims were made against said R. O. Deacon Lumber Company, resulting in substantial losses to said Metropolitan Casualty Company”. (App. Op. Bf. p. 6.)

In their statement of the second point to be relied upon the appellants challenged *the failure* of the trial court to find that appellee “at the time the policy was issued, had knowledge sufficient to put a prudent person upon an inquiry which, if pursued with reasonable diligence, would have resulted in the discovery of all of the facts which the court found to have been misrepresented and concealed”. (Tr. p. 90.) No specification of error in the brief is addressed to any error of the trial court in failing to make said finding or any other finding. It is true that appellants’

Specification of Error No. 1 (App. Op. Bf. p. 6) questions the sufficiency of the evidence to support the finding that the appellee first learned in October, 1934, that statements and information furnished by the R. O. Deacon Lumber Company in response to inquiry, were incorrect and incomplete. But it is equally true that the "points to be considered on appeal" as stated in the direction to the clerk of this court to print the record (Tr. pp. 90-91) contained no intimation that the finding in such respect was being attacked or that the point now urged in Specification of Error No. 1 would be relied upon on the appeal.

In their statement of the third point to be relied upon the appellants challenged "the *conclusion of law* that the defendant duly and regularly rescinded the policy of insurance, whereby said contract of insurance was extinguished". (Tr. p. 91.) (Emphasis added.) The same point is substantially covered by Specification of Error No. 5. (App. Op. Bf. p. 7.) Nowhere in their statement of points did the appellants challenge any finding of fact respecting rescission. (Tr. pp. 90-91.) The point is brought into the case for the first time by Specification of Error No. 4. (App. Op. Bf. p. 7.)

The statement of appellants' fourth point was "that the evidence is contrary to and fails to support the judgment *in the foregoing particulars*". (Tr. p. 91.) (Emphasis added.) Specification of Error No. 6 enlarges the point to a contention "that the evidence is insufficient to support the judgment". (App. Op. Bf. p. 7.)

Specification of Error No. 3 remains for comment. It reads: "That the evidence is insufficient to support the finding that, had said information been furnished defendant in response to its inquiry prior to the issuance of said policy, defendant would not have issued or delivered said policy to said R. O. Deacon Lumber Company". (App. Op. Bf. pp. 6-7.) Reference to the "points to be considered on appeal" as stated in the direction to the clerk of this court to print the record (Tr. pp. 90-91) discloses no intimation whatever that the point now made in Specification of Error No. 3 would be raised on appeal.

And finally, in connection with the procedural question under discussion, it cannot be said that the appellants have complied with Rule 20 (2-d) of this court regarding specifications of error. The rule requires that "*where findings are made, the specification shall state as particularly as may be wherein the findings of fact and conclusions of law are alleged to be erroneous*". (Emphasis added.) It is clear that the appellants have couched their specifications of error in generalities although the said rule requires particularization.

ARGUMENT OF THE CASE.

A. SUMMARY.

The trial court found: 1. Prior to the issuance of the policy the insured was guilty of fraudulent misrepresentations and concealment (Tr. pp. 20-21); 2. The fraudulent misrepresentations and concealment by the insured induced the appellee to issue

the policy (Tr. pp. 20-21); 3. The fraudulent misrepresentations and concealment by the insured were first discovered by the appellee in October, 1934 (Tr. p. 20); 4. The appellee immediately rescinded the insurance. (Tr. p. 21.)

The findings in the foregoing respects are supported by substantial evidence. The legal consequence thereof is that the policy of insurance was vitiated as to the insured, R. O. Deacon Lumber Company. If the policy of insurance was vitiated as to the insured, then the appellants could not recover thereon. The judgment is sound in fact and sound in law. Therefore, the judgment of the trial court should be affirmed.

B. POINTS OF FACT AND LAW.

1. THE EVIDENCE SUPPORTS THE FINDING OF FRAUDULENT MISREPRESENTATIONS AND CONCEALMENT BY THE INSURED.

The finding of the trial court on this issue was as follows:

“Prior to the issuance and delivery of said policy specific inquiry was made of said R. O. Deacon Lumber Company by defendant through the broker or agent for the name of its prior insurance carrier and the number and other available information on liability and property damage claims against said R. O. Deacon Lumber Company preceding the application for the insurance policy from defendant; upon information furnished by said R. O. Deacon Lumber Company through its broker or agent in San Francisco, defendant issued and delivered the said policy; . . . said R. O. Deacon Lumber

Company fraudulently misrepresented the facts to defendant and fraudulently concealed the fact that for a period of time prior to the issuance of defendant's policy said R. O. Deacon Lumber Company was insured with the Metropolitan Casualty Company and during said time several serious liability claims for personal injuries and a number of property damage claims were made against said R. O. Deacon Lumber Company resulting in substantial losses to said Metropolitan Casualty Company, . . .” (Tr. pp. 20-21.)

There is substantial evidence in the record supporting the foregoing finding in every particular.

Before the risk was accepted or the policy issued or delivered the appellee made specific inquiry of the R. O. Deacon Lumber Company through its broker and agent, John Drenth, as to the names of former carriers of the liability and property damage insurance and their experiences as to frequency of claims and severity of losses. These facts were established by the testimony of Mr. Sturgess who supervised underwriting for the appellee (Tr. p. 35), and by the testimony of Mr. Haney who was the chief underwriter for the appellee. (Tr. pp. 39-40.) Drenth relayed the specific inquiry to his principal. (Tr. p. 59.) It is true that he limited the inquiry to “the last year” (Tr. p. 59), but the appellee had no knowledge of such limitation. (Tr. pp. 34-35.)

The policy was issued and delivered by appellee on June 2, 1934, upon the information furnished by the insured through Drenth, its broker and agent. These facts were also established by the testimony

of Mr. Sturgess (Tr. pp. 27-28), and by the testimony of Mr. Haney. (Tr. pp. 40, 44, 46.)

The insured fraudulently misrepresented the facts to the insurer and fraudulently concealed the fact that the Metropolitan Casualty Company had carried the line from November 10, 1931, to November 10, 1933, and had such an unsatisfactory experience with the insured as to frequency of claims and severity of losses that it refused to renew the insurance when the insured applied for renewal in November, 1933.

The testimony shows that early in the negotiations for the policy Drenth told the appellee that his information disclosed that the former carriers on the line were the Maryland Casualty Company and the Madison Insurance Company. (Tr. p. 27.) The testimony also shows that in response to Drenth's letter asking for the record on liability and property claims (Tr. p. 59), the principal mentioned only the Maryland and the Madison. (Tr. pp. 29-30.) The testimony further shows that thereafter Drenth told the appellee that the Maryland and the Madison had been the only carriers on the line for several years previous. (Tr. pp. 27-28.) Without dispute, the testimony shows that the principal never mentioned to its broker or agent the name or experience of the Metropolitan Casualty Company, and that the broker and agent never mentioned to appellee the name or experience of said company. (Tr. pp. 67-70.)

Two representatives of the Metropolitan Casualty Company testified at the trial concerning insurance in that company and the company's experience there-

with. One of these representatives was Mr. Masi who was in charge of claims (Tr. p. 47), and the other was Mr. Swift who investigated and adjusted claims. (Tr. p. 49.) Their testimony established that the Metropolitan had carried the liability and property damage insurance of the R. O. Deacon Lumber Company from November 10, 1931, to November 10, 1933. (Tr. p. 47.) Their testimony established that claims were frequent and that losses ran into many thousands of dollars. (Tr. pp. 48-50.) Their testimony established that on May 10, 1934, the Metropolitan settled a judgment against the R. O. Deacon Lumber Company for a personal injury claim reported by Mr. Deacon on March 23, 1933—the settlement being for \$11,875.89, plus an adjusting expense of \$1,923.50. (Tr. p. 48.) Their testimony established that on September 29, 1933, the R. O. Deacon Lumber Company reported to the Metropolitan an accident involving six property damage claims (settled for \$1245.60) and two potential personal injury claims. (Tr. p. 48.) And their testimony established that the Metropolitan refused to renew the insurance because of bad experience when the R. O. Deacon Lumber Company applied for renewal in November, 1933. (Tr. p. 48.)

Plainly, the record contains substantial evidence that the insured and its agent fraudulently misrepresented the facts concerning former insurance and fraudulently concealed from the appellee the fact that former insurance had been in the Metropolitan Casualty Company which had suffered substantial

losses by reason of liability and property damage claims against said insured. And this is true, of course, even if the range of time be confined to one year preceding the specific inquiry in May, 1934.

Appellants contend, however, that the record in this case is not susceptible to an inference of intent to defraud on the part of the R. O. Deacon Lumber Company. (App. Op. Bf. pp. 28-30.)

The governing rule in California is thus stated in *Telford v. New York Life Ins. Co.*, 9 Cal. 2d 103 (69 Pac. 2d 835), at page 105:

“A false representation or a concealment of fact whether intentional or unintentional which is material to the risk vitiates the policy. The presence of an intent to deceive is not essential.”

This court applied the same rule in *Strangio v. Consolidated Indemnity & Insurance Co.*, 66 F. 2d 331, where it was said at page 336:

“Under the California statute, quoted above, the failure to disclose to the insurer that an accident had happened authorized the cancellation of the policy, notwithstanding the fact that Strangio Bros. were not guilty of any intentional wrong in not making the disclosure to the insurance company before the policy was issued.”

Limiting their arguments to the contents of the letter of May 3, 1934, by Drenth to his principal (Tr. p. 59), and the reply thereto of May 5, 1934 (Tr. pp. 29-30), the appellants first argue that “the principal fact material to the risk” was the statement by the R. O. Deacon Lumber Company that it

“had been refused insurance on account of a bad record of losses”. (App. Op. Bf. p. 29.) But in making this argument the appellants are unmindful that the “risk” which appellee contemplated accepting was entirely different from the “risk” concerning which the R. O. Deacon Lumber Company stated that it had been refused insurance. The only application made to the appellee was for a policy of public liability and property damage insurance, that is, indemnity against liability of the insured *to others* for bodily injuries or death or damage to property, whereas the refused insurance referred to by the prospective insured was collision insurance, that is, protection to the insured against damage *to its own vehicles* resulting from impact with other objects.

With reference to concealment, applicable section 2565 of the California Civil Code (now Insurance Code, section 334) provided:

“Materiality is to be determined not by the event, but solely by the probable and reasonable influence of the facts upon the party to whom the communication is due, in forming his estimate of the disadvantages of the proposed contract, or in making his inquiries.”

And with reference to representation, applicable section 2581 of the California Civil Code (now Insurance Code, section 360) provided:

“The materiality of a representation is determined by the same rule as the materiality of a concealment.”

It would not necessarily follow that if an insured had a bad record with collision insurance his record

with public liability and property damage insurance would be equally bad. Those expert in insurance matters are best qualified to speak authoritatively on the subject. In this case Mr. Haney, an insurance expert, testified that in writing public liability and property damage insurance the appellee was only interested in the experience of former carriers with that type of insurance and hence that no inquiry was made respecting collision insurance. (Tr. p. 46.) As there is substantial evidence in the record showing that the statement concerning collision insurance would have no probable or reasonable influence upon the appellee in writing public liability and property damage insurance, it is idle for appellants to say that the statement was "the principal fact material to the risk". (App. Op. Bf. p. 29.) The issue of materiality presented a question of fact for the solution of the trial court and its finding thereon is conclusive on appeal. (*Shirreffs v. Alta Canyonada Corp.*, 8 Cal. App. 2d 742, 748, 48 Pac. 2d 55.)

Another argument of appellants along the same line is that the appellee should have probed the truth of the statement and ascertained its falsity. (App. Op. Bf. p. 29.) An answer to the argument has been furnished by what has just been said. No duty rested on the appellee to probe the truth of a statement it had not sought and which would have have no probable or reasonable influence upon it in writing public liability and property damage insurance.

An intimation in the appellants' opening brief is that the inquiry addressed by Drenth to his principal on May 3, 1934 (Tr. p. 59) would serve to

mystify the principal rather than enlighten it as to the information desired. (App. Op. Bf. p. 29.) It is obvious, however, that the principal had no difficulty in understanding the scope of the inquiry. It understood that the names of all former carriers on the line were sought, for it gave the names of more than one. (Tr. pp. 33-34.) It understood that the inquiry extended to the year 1933, for it gave experiences in the year 1933. (Tr. pp. 33-34.) It could not misunderstand the request in its agent's letter for "the number and any other available information on liability and property claims". (Tr. p. 59.) It knew that the Metropolitan Casualty Company carried the liability and property damage insurance until November, 1933, for it requested the Metropolitan to renew the insurance in that month. (Tr. p. 48.) It knew that a claim under the policy issued by the Metropolitan was still pending at the very time it answered its agent's inquiry, *for a judgment against it arising out of an accident it had reported to the Metropolitan was not settled until May 10, 1934.* (Tr. p. 48.) It knew that a claim under the policy issued by the Metropolitan was made *as late as September 29, 1933,* for on that date it reported an accident giving rise to six property damage claims and two potential personal injury claims. (Tr. p. 48.) Significant, however, is the fact that the R. O. Deacon Lumber Company in attempting to place the insurance after the Madison Insurance Company went into liquidation never mentioned the Metropolitan Casualty Company to Drenth, its own agent. (Tr. pp. 67-70.) It presumably told its agent when first at-

tempting to place the insurance that the Maryland and the Madison had been the only former carriers on the line. (Tr. p. 27.) Likewise significant is the fact that after the agent received the response of his principal (Tr. pp. 33-34) he interpreted the response as meaning that the Maryland and the Madison had been the only carriers on the line and told the appellee that for a period of several years previous the Maryland and the Madison had been the only carriers on the line. (Tr. pp. 27-28.) No comment on this representation by the agent appears in the opening brief for appellants, although it is apparent that a finding of fraudulent misrepresentation could rest thereon.

The record is inevitable in its conclusion that the insured was guilty of concealment. Applicable section 2561 of the California Civil Code (now Insurance Code, section 330) provided:

“A neglect to communicate that which a party knows, and ought to communicate, is called a concealment.”

And applicable section 2563 of the same code (now Insurance Code, section 332) provided:

“Each party to a contract of insurance must communicate to the other party, in good faith, all facts within his knowledge which are or which he believes to be material to the contract, and which the other has not the means of ascertaining, and as to which he makes no warranty.”

Applying said section 2561, the insured neglected to communicate that which it knew, namely, that within the year preceding the specific inquiry it had

carried public liability and property damage insurance in the Metropolitan Casualty Company and that the frequency of claims and severity of losses had caused that company to refuse to renew such insurance in November, 1933. The insured ought to have communicated those facts to the appellee because a specific inquiry which should have evoked those facts was addressed to the insured. Therefore, the insured was guilty of concealment within the purview of the statute.

Applying said section 2563, the insured knew that frequency of claims and severity of losses had caused the Metropolitan Casualty Company to refuse to renew the public liability and property damage insurance in November, 1933. The insured therefore knew that such matters were material to obtaining insurance of the type sought from the appellee. Such facts were peculiarly ascertainable from the insured. It was therefore the duty of the insured to act in good faith and communicate such facts to the appellee. The insured failed to do so. Therefore, the insured was guilty of concealment within the purview of the statute.

The record is inevitable in its conclusion that the insured was guilty of fraudulent misrepresentations. Applicable section 2579 of the California Civil Code (now Insurance Code, section 358) provided:

“A representation is to be deemed false when the facts fail to correspond with its assertions or stipulations.”

Applying said section 2579, it is plain that the facts fail to correspond with the assertions of the

insured and its agent. The insured's letter of May 5, 1934, is the equivalent of an assertion that within a year, at least, the Maryland Casualty Company and the Madison Insurance Company were the sole carriers of the public liability and property damage insurance of the R. O. Deacon Lumber Company. The said letter is the equivalent of an assertion that claims were infrequent and losses trivial in connection with such type of insurance. The later assertions of the agent for the R. O. Deacon Lumber Company confirmed the assertions of the principal. The facts did not remotely correspond with the assertions. Therefore, the insured was guilty of a false representation within the purview of the statute.

Appellants argue in their brief, however, that the insured's letter of May 5, 1934, was cryptic and subject to several interpretations. (App. Op. Bf. p. 29.) It is enough to cite the case of *Sullivan v. Helbing*, 66 Cal. App. 478 (226 Pac. 803), where it was said at page 483:

“Though one may be under no duty to speak as to a matter, if he undertakes to do so, either voluntarily or in response to inquiries, he is bound not only to state truly what he tells but also not to suppress or conceal any facts within his knowledge which materially qualify those stated. If he speaks at all he must make a full and fair disclosure (12 R.C.L., ‘Fraud and Deceit,’ sec. 71).

Fraudulent representations may consist of half-truths calculated to deceive. Thus a representation literally true is actionable if used to create an impression substantially false (26 C.J., p. 1100).”

See, also, *American T. Co. v. California etc. Ins. Co.*, 15 Cal. 2d 42, 65, 98 Pac. 2d 497.

2. **THE EVIDENCE SUPPORTS THE FINDING THAT FRAUDULENT MISREPRESENTATIONS AND CONCEALMENT BY THE INSURED INDUCED THE APPELLEE TO ISSUE THE POLICY.**

The finding of the trial court on this issue was as follows:

“. . . had said information been furnished defendant in response to its specific inquiry prior to the issuance of said policy, defendant would not have issued or delivered said policy to said R. O. Deacon Lumber Company; . . .” (Tr. p. 20.)

The finding is supported by the testimony of Mr. Sturgess (Tr. p. 28) and Mr. Haney (Tr. p. 44).

It has been pointed out previously that the foregoing finding was not challenged in the statement of points filed by appellants in respect to the printing of the record on appeal. It was also pointed out that appellants there challenged *the failure* of the trial court to make certain findings, and that no specification of error is addressed to such failure in appellants' opening brief. It may be assumed, however, that a challenge of the quoted finding is sub-merged in one or more of the specifications of error contained in the said opening brief. If this be true, then the case falls within the rule stated in *Shirreffs v. Alta Canyada Corp.*, 8 Cal. App. 2d 472 (48 Pac. 2d 55), as follows, at page 747:

“It is obvious that this contention simply amounts to an attack on the trial court's finding that respondents relied on the representation on

the familiar ground of evidentiary nonsupport. The usual rule is therefore applicable and the finding may not be disturbed if the record contains any evidence to support it. Appellant concedes that the testimony of respondents was that they did believe and rely on the representation. This evidence may not be disregarded. The question was one of fact for the trier of facts. The reviewer of the cold record may entertain an opinion that the evidence would have supported a contrary finding. He is not, however, warranted in substituting this opinion in place of a finding made by the trial court from the testimony of witnesses whose conduct and demeanor it was privileged to observe and to weigh. The element of reliance in cases of this character necessarily relates to a state of mind. The task of discovery is difficult for the trial court. It would be more difficult for an appellate court. It is our conclusion that the finding of reliance is not so lacking in evidentiary support that we are justified in overturning it."

3. **THE EVIDENCE SUPPORTS THE FINDING THAT FRAUDULENT MISREPRESENTATIONS AND CONCEALMENT BY THE INSURED WERE FIRST DISCOVERED BY THE APPELLEE IN OCTOBER, 1934.**

The finding of the trial court on this issue was as follows:

" . . . in the month of October, 1934, defendant learned for the first time that the statements and information furnished by said R. O. Deacon Lumber Company preceding said corporation's application to defendant were incorrect and incomplete; . . ." (Tr. p. 20.)

The finding is supported by the testimony of Mr. Sturgess, Mr. Haney, and Mr. Munroe.

Mr. Sturgess said:

“After the accident in which Mr. Gates lost his life, Mr. Munroe came to Fresno to make an investigation, and it was upon his return that I learned these facts that I have testified to about the Metropolitan.” (Tr. p. 28.)

“Prior to the time that Mr. Munroe came back to San Francisco from Fresno the company did not know anything about the Metropolitan Casualty Company being connected with the R. O. Deacon Lumber Company. It was in San Francisco on October 5th, the date on the paper shown to me, or the day previous, October 4th, that I learned of these facts that Mr. Munroe brought back from Fresno to San Francisco.” (Tr. pp. 28-29.)

Mr. Haney said:

“I did not at any time prior to the death of Mr. Gates, which was toward the end of September, 1934, know that the Metropolitan Casualty Company had a long list of losses, both property damage and public liability with R. O. Deacon Lumber Company.” (Tr. p. 42.)

And Mr. Munroe said:

“Prior to the first week of October, 1934, I did not know anything at all about the insurance of the R. O. Deacon Lumber Company, and I heard of an accident in which Mr. Gates lost his life about September 20, 1934. After that happened I went to Fresno and contacted a Mr. Dewey—I believe he was the driver of the truck, and a Mr. Farrar—I think he was the helper.

. . . After that I came back to San Francisco, but somewhere during my stay up there, I was informed about the Metropolitan Casualty Company being on the risk. I returned to San Francisco right away after learning of the Metropolitan Casualty Company. I came back, I think, the same day. I went over and asked the Metropolitan what their experience had been. I ascertained from their records that they had five property damage claims from the R. O. Deacon Lumber Company in the year 1934. I also ascertained from the records that they had several personal injury claims. When I obtained that information from the Metropolitan Casualty Company, I conveyed it to the head of the department.” (Tr. pp. 50-51.)

As previously mentioned, the appellants did not attack the quoted finding in stating their points in connection with the printing of the record. (Tr. pp. 90-91.) The finding was first attacked by Specification of Error No. 1 contained in appellants’ opening brief. (App. Op. Bf. p. 6.)

When the said specification is examined, however, it will be found that it is not concerned with the sufficiency of the evidence to support the quoted finding as to discovery, but is concerned with asserted negligence of appellee in failing to make earlier discovery. Appellants rely upon the doctrine of imputed knowledge and claim that under the facts of the case the appellee must be charged with full knowledge concerning the Metropolitan Casualty Company “as of the date of the issuance of the policy”. (App. Op. Bf. p. 28.)

Appellants' argument is based upon the contention that the inquiry addressed to the prospective insured was indefinite as to the time to be covered and the particulars to be furnished, that the reply thereto by the prospective insured was indefinite and alarming, and that the appellee was therefore negligent in not investigating and probing the facts until the truth was revealed. (App. Op. Bf. pp. 26-27.) In making their argument, the appellants are wholly unmindful that the letter of the prospective insured in reply to the specific inquiry did not exhaust the information upon which the appellee acted in issuing the policy. After the agent for the prospective insured had received the said reply letter from his principal he again informed the appellee of the favorable experience of the Maryland Casualty Company with the public liability and property damage insurance. When the appellee investigated the experience of the Maryland respecting such insurance, the truth of the information furnished by the said agent was confirmed. And after the receipt of said letter the agent informed the appellee that only the Maryland Casualty Company and the Madison Insurance Company had been the carriers of that insurance for several years previous. These matters were pointed out in the preceding subdivision. There the appellee also pointed out that there was nothing indefinite in the letter of the agent to the principal and nothing indefinite or alarming in the letter of reply from the principal. There the appellee further pointed out that there was no duty on its part to investigate the information volunteered by the prospective insured

as to the unfavorable experience of the Maryland Casualty Company *with collision insurance*.

The law governing the duty to investigate by one to whom representations have been made has been thoroughly expounded in California.

There is no primary duty to investigate and verify statements to the truth of which the other party has deliberately pledged his faith.

Teague v. Hall, 171 Cal. 668, 670, 671, 154 Pac. 851;

Spreckels v. Gorrill, 152 Cal. 383, 395, 92 Pac. 1011;

Dow v. Swain, 125 Cal. 674, 680-2, 58 Pac. 271;

Bank of Woodland v. Hiatt, 58 Cal. 234, 237.

A casual and incomplete investigation will not bar a defrauded party from relief.

Rutherford v. Rideout Bank, 11 Cal. 2d 479, 485, 80 Pac. 2d 978;

Willson v. Municipal Bond Co., 7 Cal. 2d 144, 151, 152, 59 Pac. 2d 974;

Payne v. Clow, 114 Cal. App. 597, 600, 601, 300 Pac. 138;

Conner v. Butler, 113 Cal. App. 502, 513, 298 Pac. 546;

Kramer v. Associated Almond Growers, 111 Cal. App. 595, 599, 295 Pac. 873.

Whether the defrauded party should have investigated is a question of fact for a trial court.

West v. Great Western Power Co., 36 Cal. App. 2d 403, 97 Pac. 2d 1014;

Frederick v. Federal Life Ins. Co., 13 Cal. App. 2d 585, 588, 589, 57 Pac. 2d 235.

In the *West* case it was said at page 411:

“Whether one has notice of “circumstances sufficient to put a prudent man upon inquiry as to a particular fact”, and whether, “by prosecuting such inquiry, he might have learned such fact”, are themselves questions of fact to be determined by the jury or the trial court.’ (20 Cal. Jur., p. 240.) And, as stated in *Northwestern P. C. Co. v. Atlantic P. C. Co.*, 174 Cal. 308-312: ‘Whether a party has notice of “circumstances sufficient to put a prudent man upon inquiry as to a particular fact”, and whether “by prosecuting such inquiry, he might have learned such fact” (Civ. Code, sec. 19), are themselves questions of fact to be determined by the jury or trial court. (*Brewster v. Shine*, 42 Cal. 139; *Thompson v. Toland*, 48 Cal. 99; *Renton, Holmes & Co. v. Monnier*, 77 Cal. 449, 456.)’ ”

And in the *Frederick* case it was said at pages 588 and 589:

“The fact that they might have overlooked or considered as inconsequential an incorrect or incomplete answer contained in the application does not prevent their defense against fraudulent statement, the falsity of which was discovered after the issuance of the policy. The defendant had no knowledge at the time the policy was issued of the misrepresentations now relied upon to defeat recovery.”

The foregoing authorities furnish a complete answer to the cases cited in appellants’ opening brief at pages 8 to 22.

Appellants place great reliance on *E. A. Boyd Co. v. United States F. & G. Co.*, 35 Cal. App. 171, 94 Pac. 2d 1046 (App. Op. Bf. pp. 20, 27), but examination of the case will disclose that it offers no parallel. There the insurer defended on the ground that the failure of the insured to inform the insurer of previous embezzlement by an employee, constituted fraud and concealment. There the evidence showed that the same insurer had bonded against the previous embezzlement and that its own records disclosed all the facts concerning the same. In the last analysis it was simply a case of the right hand claiming that it did not know what the left hand had done, and the court very properly held that the defense of fraud and concealment could not be sustained under such circumstances.

It follows, then, that if the points urged by appellants in their Specification of Error No. 1 may be considered on this appeal, the answer thereto is found in the familiar rule that determinations of fact by the trial court are conclusive on appeal.

4. THE EVIDENCE SUPPORTS THE FINDING THAT THE APPELLEE IMMEDIATELY RESCINDED THE INSURANCE AFTER LEARNING THAT IT HAD BEEN DEFRAUDED.

The finding of the trial court on this issue was as follows:

“ . . . upon learning of said concealment of facts for which defendant made specific inquiry and upon which it would have determined whether it would issue the policy applied for, defendant immediately rescinded said policy of insurance and gave notice of rescission thereof to said R.

O. Deacon Lumber Company together with the reasons therefor, and returned at said time to said R. O. Deacon Lumber Company the premium and all consideration received by defendant from the said R. O. Deacon Lumber Company for said policy." (Tr. p. 21.)

In Specification of Error No. 4 the appellants question the sufficiency of the evidence to support the above finding (App. Op. Bf. p. 7), although no attack upon the finding was made in their statement of points with reference to the printing of the record on appeal (Tr. pp. 90-91).

Appellants do not make an independent argument in connection with said Specification of Error No. 4, but merely refer to their arguments in support of Specification No. 1 as requiring a conclusion that as appellee must be "charged with knowledge as of the time of issuing the policy", it "cannot be heard to claim that it rescinded the policy immediately upon learning of those facts". (App. Op. Bf. pp. 32-33.)

It is therefore obvious that appellants are not questioning the mechanics, or form, or sufficiency of the rescission, but are merely questioning the right of the appellee to rescind the insurance in October, 1934. So far as the factual basis for the above finding is concerned, the testimony of Mr. Sturgess will not permit any doubt as to its sufficiency. (Tr. pp. 28-32.)

The right of an insurer to rescind insurance because of fraudulent misrepresentations and conceal-

ment by the insured, is statutory in California. The applicable sections of the California Civil Code were as follows:

Section 2562. "A concealment, whether intentional or unintentional, entitles the injured party to rescind a contract of insurance." (Now, Insurance Code, sec. 331.)

Section 2580. "If a representation is false in a material point, whether affirmative or promissory, the injured party is entitled to rescind the contract from the time when the representation becomes false." (Now, Insurance Code, sec. 359.)

Section 2583. "Whenever a right to rescind a contract of insurance is given to the insurer by any provision of this chapter, such right may be exercised at any time previous to the commencement of an action on the contract." (Now, Insurance Code, sec. 650.)

"It is an elementary principle of law", said the court in *Fales v. New York Life Ins. Co.*, 128 Cal. App. 201, 209, 17 Pac. 2d 174, "that a false representation or concealment of a material fact may, in connection with the issuance of a policy of insurance, entitle the party relying thereon to rescind on ascertaining the truth."

There can be no waiver of a right to rescind on the part of an insurer until the insurer becomes aware of the falsity of the representations upon which it acted.

Cal.-West States etc. Co. v. Feinstein, 15 Cal. 2d 412, 422, 101 Pac. 2d 696.

In this case, timeliness of rescission was just another one of the questions of fact upon which the

determination of the trial court is conclusive on appeal.

5. IF THE POLICY OF INSURANCE WAS VITIATED AS TO THE INSURED, THEN THE APPELLANTS COULD NOT RECOVER THEREON.

The legal consequence flowing from the findings of fact is that the insurance was vitiated as to the insured, R. O. Deacon Lumber Company. That being so, it necessarily follows that the appellants could not recover on the policy of insurance.

The governing rule is thus stated in *Emery v. Pacific Employers Ins. Co.*, 8 Cal. 2d 663 (67 Pac. 2d 1046), at page 665:

“The contention of the defendant insurance company is that the policy is void by reason of false representations contained in the application for insurance and false warranties of the insured in the policy. By statutory provision and similar terms of the policy the right of the injured person who has secured judgment against the insured is to bring an action against the insurer ‘on the policy and subject to its terms and limitations.’ Hence if the policy is void or voidable as to Bronis (the insured), plaintiffs cannot recover thereon.”

The same rule was applied by this court in *Georgia Casualty Co. v. Boyd*, 34 F. 2d 116, where, after holding that the insured was guilty of fraud in failing to disclose to the insurer that prior claims had been made against him, the court said at page 118:

“The contention most vigorously urged for appellee is that, although the rescission may have operated to cut off any right Dr. Jarvis would

otherwise have had, as to her it was wholly ineffective for any purpose. Her reasoning is that, under the California statute above quoted, the policy is, in effect, a triparty contract, that her right accrued upon the happening of her injury, and that nothing done thereafter without her consent would operate to divest her of that right. * * *

The manifest purpose of the statute is to give the injured person the same footing the insured would have, had the latter paid the judgment for damages. In the one case, as well as the other, the defense of invalidity is open to the insurer.”

And finally, it must be remarked, the judgment in favor of the appellee is not dependent upon the finding that the insurance was rescinded or the conclusion of law to the same effect. It is the settled rule in California “that rescission is not the exclusive remedy but that the insurer may, because of that section (Civil Code, sec. 2562), set up the fraud by way of defense to an action brought to enforce the policy”. (*Maggini v. West Coast Life Ins. Co.*, 136 Cal. App. 472, 478, 29 Pac. 2d 263.) The appellee would therefore be entitled to prevail upon its defense of fraud even if any question as to the right of the rescission possessed merit.

CONCLUSION.

The judgment herein is sound in fact and sound in law, and appellee therefore respectfully submits that it should be affirmed.

Dated, San Francisco,
March 21, 1941.

REDMAN, ALEXANDER & BACON,
JEWEL ALEXANDER,
W. C. BACON,
Attorneys for Appellee.

No. 9707

IN THE
United States Circuit Court of Appeals
For the Ninth Circuit

<p>CARRIE GATES, CHARLES ELMER GATES and LLOYD GATES, by his guardian, Carrie Gates,</p>	<p><i>Appellants,</i></p>
<p>vs.</p>	
<p>GENERAL CASUALTY COMPANY OF AMERICA (a corporation),</p>	<p><i>Appellee.</i></p>

REPLY BRIEF FOR APPELLANTS.

DAVID E. PECKINPAH,
L. N. BARBER,
HAROLD M. CHILD,
Brix Building, Fresno, California,
Attorneys for Appellants.

FILED

APR 10 1941

PAUL P. O'BRIEN,

CLERK

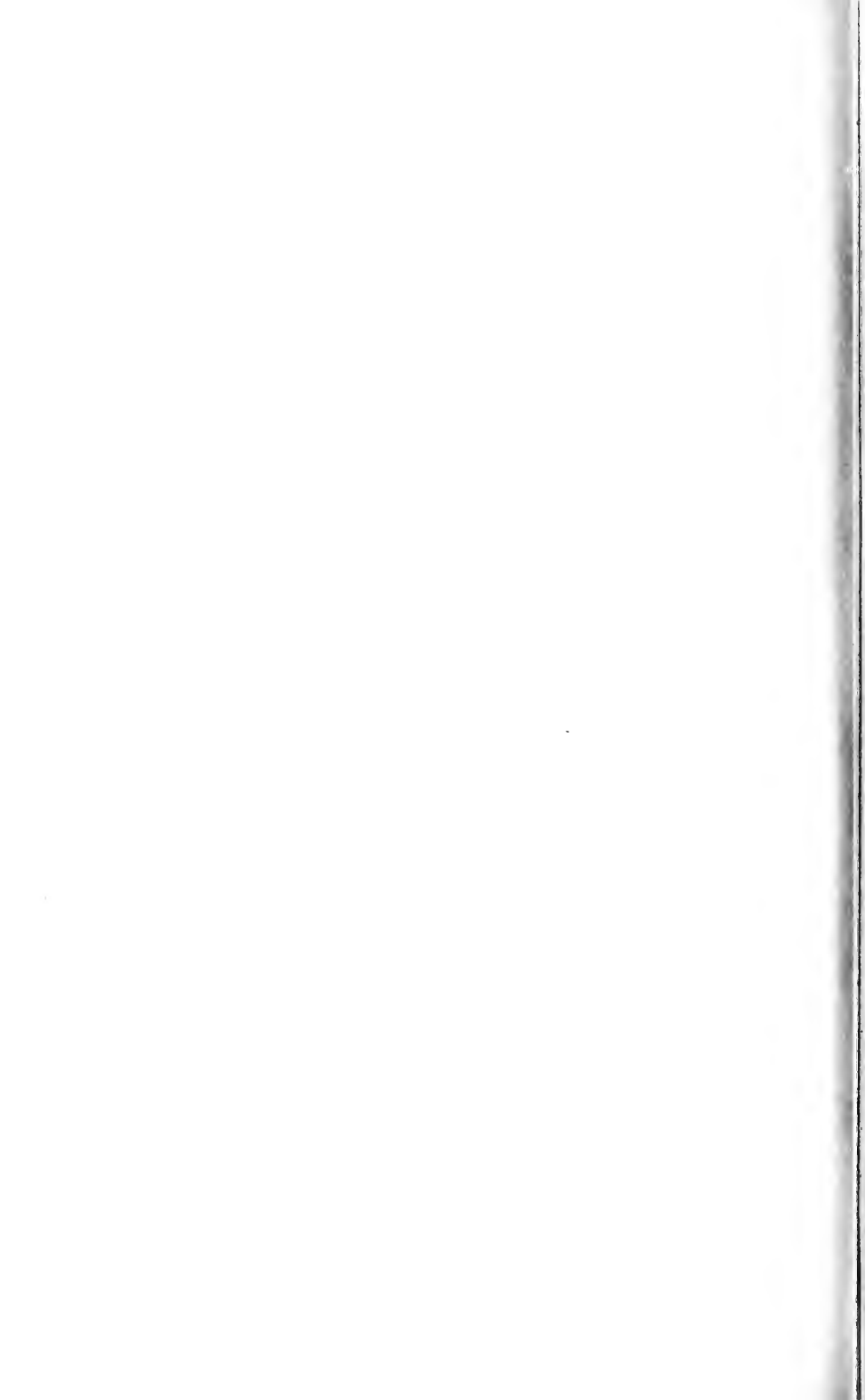


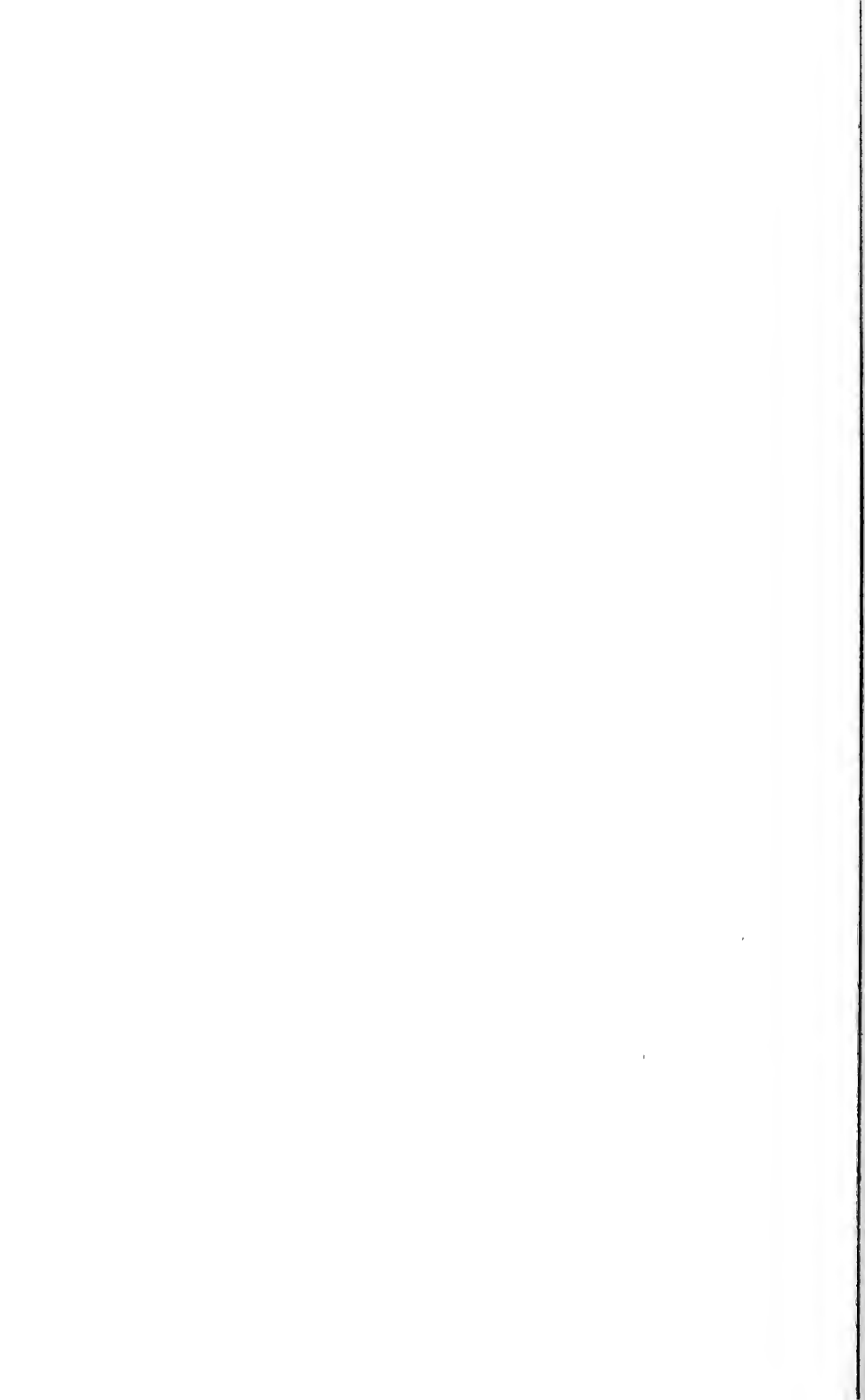
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No. 9707

IN THE
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For the Ninth Circuit

CARRIE GATES, CHARLES ELMER GATES and
LLOYD GATES, by his guardian, Carrie
Gates,

Appellants,

vs.

GENERAL CASUALTY COMPANY OF AMERICA
(a corporation),

Appellee.

REPLY BRIEF FOR APPELLANTS.

Examination of the brief filed by the appellee leads to the conclusion that appellee's main reliance, in the effort to escape payment of the loss involved here, is upon the fact that the insured, in the letter in which its president informed appellee that his company had been refused renewal of its insurance by another company on account of an unsatisfactory loss experience, happened to mention the fact that one of its trucks was completely destroyed in an accident upon which a loss was paid. Upon this foundation appellee constructs the theory that the policy upon which the loss was paid and the renewal of which was refused was a policy of insurance against loss by collision only,

and that since the policy being applied for was a public liability and property damage policy, appellee was justified in failing to make further inquiry as to the reason for the refusal. In order to reach that result, appellee is compelled to do much violence to the evidence. In the first place, there is undisputed evidence that the Maryland Casualty Company, the company mentioned in the letter, did not carry collision insurance, a fact which appellee, if it did not know, could have ascertained by the most casual inquiry. (R. 72, 78.) Secondly, the evidence shows that the Metropolitan Casualty Company paid property damage claims of more than \$1,200.00 on a policy of the R. O. Deacon Lumber Company for an accident which occurred in the latter part of September, 1933, the time mentioned in the letter, besides other losses, which caused that company to refuse renewal of the policy, which expired November 10, 1933. Third, there is no evidence in the record of any collision loss being paid on a policy of the R. O. Deacon Lumber Company, or of that company ever having carried collision insurance. Fourth, the inquiry to which Mr. Deacon was replying was specifically limited to public liability and property damage claims and it is to be assumed, in the absence of some definite statement by him to the contrary, that that was the type of insurance to which he referred. Fifth, Mr. Deacon did not say in his letter that the payment which was made on account of the accident which he mentioned was for the loss of his truck. What he said was, "Our insurance was then carried by the Maryland Casualty and this loss cost them too much and they withdrew

the coverage shortly after that time". Sixth, Mr. Haney did not testify that in writing public liability and property damage insurance the company was only interested in the experience of former carriers of that type of insurance, and that hence no inquiry was made respecting collision insurance. The portion of the record referred to by appellee in support of that assertion reads as follows: "We checked with the Maryland to see that the experience with them was correct. * * * That was all we were interested in because we were only writing public liability and property damage." (R. 46.) When testifying specifically on the matter of materiality Mr. Haney said, "Frequency of accidents bears more importance in considering the acceptability of a risk of this nature than any other consideration". (R. 44.)

The real question is not whether the interpretation of Mr. Deacon's letter now adopted by appellee for the purpose of avoiding payment of a loss is a possible interpretation, but whether or not it is an interpretation which would have been adopted and acted upon by a prudent underwriter of insurance in the situation of appellee at the time of issuing the policy. As between two permissible interpretations of an answer made by an applicant for insurance to an inquiry, it is obviously the part of prudence to adopt the one which suggests the need of further inquiry rather than the one which does not. To make further inquiry is the safe course, while failure to do so involves an entirely unnecessary risk. To adopt one interpretation for the purpose of issuing the policy and getting the premium, with the intention

of charging the applicant with fraud in case the other interpretation turns out to be correct after a loss has occurred, is obviously bad faith.

There is no warrant for the conclusion that collision losses were immaterial. The accidents upon which public liability and property damage claims are paid are the same accidents as those upon which collision losses are paid. When an automobile owner has an accident, the company carrying the collision insurance repairs his car and the company carrying the public liability and property damage insurance pays the necessary compensation to the other parties to the collision. The record of either company would reflect the frequency of accidents and would furnish the information necessary to enable another company to determine the acceptability of the risk for either kind of insurance. Although there might be accidents in which a car inflicts injury without being itself damaged, and other accidents in which a car is damaged without any claims being made by other persons as a result of the accident, nevertheless, the frequency of accidents involving both types of losses depends upon the same psychological and mechanical factors, and, according to the law of averages upon which insurance companies operate, a definite relation between the two kinds of loss may be expected in the case of a given owner. This is a matter of common knowledge, of which the court takes judicial notice, and the mere fact that one insurance underwriter chooses to ignore obvious facts would not, if it were established, constitute evidence of the immateriality of collision losses in considering an application for liability insurance.

Another contention relied upon by appellee is that after the broker received the letter from Mr. Deacon, which he handed to appellee, he told appellee that the Maryland and Madison had been the only carriers on the line for several years previous. That is not an accurate statement of the evidence and conveys the false impression that Mr. Drenth, after giving Mr. Deacon's letter to appellee's agents, made independent statements which justified them in disregarding the one contained in the letter. There is no evidence that Mr. Drenth ever made the statement that the Maryland and the Madison had been the only carriers on the line for several years previous. The testimony cited by appellee in support of that assertion is the direct examination of Mr. Sturges. (R. 27.) He testified that he had two conversations with Mr. Drenth. Regarding the first he said, "I asked him for the names of the previous carriers and he advised me that he would secure that information, but, as he recalled, it was the Maryland Casualty Company and the Madison in Chicago, the latter company having just retired from this state". Regarding the second conversation he testified as follows: "He later advised me that he had this information and that the Maryland Casualty Company had had a satisfactory record, the total claim payments being something like \$58.00, and that the Madison Insurance Company had had only some trivial claims not involving any personal injuries, and no accident frequency beyond the normal expectancy. He mentioned no other insurance carrier at that time, claiming that the two companies covered the period of several years previous." The

letter was not called to his attention on direct examination, but, on cross-examination, after it had been read to him, he testified as follows: "I didn't have any conversation with Mr. Drenth in reference to the subject matter of this letter that you have just read. The letter was in the office. He delivered the letter to the office and I read it afterwards but not while he was there. I did not personally, after reading the letter, call Mr. Drenth and discuss it with him." (R. 34.) When asked to state the substance of the second conversation with Mr. Drenth, he testified as follows: "Well, he stated that he had secured the information from the Deacon Lumber Company, had submitted it to our office and he stated that the Maryland Casualty Company had one claim and small claims in the Madison, that is all I recall was discussed." (R. 37.) Mr. Haney testified as follows: "The second conversation brought out that the Maryland Casualty Company had been on the line and they, as far as their experience, they had had a small amount of losses somewhere around \$50.00, \$53.00 in property damage, no public liability losses; they had had their insurance for a short time in the Madison. * * * In my conversation with Mr. Drenth I asked him for the names of the insurance carriers of the R. O. Deacon Lumber Company. The names given were Maryland Casualty Company and the Madison." (R. 44.) On cross-examination he testified: "I had another conversation with Mr. Drenth which took place in the early part of June, around the first couple of days in June. At that time Mr. Drenth came in with a list of the equipment and with the information

that the Maryland Casualty Company and the Madison had been on the line.” (R. 45.) Mr. Haney testified that he never saw Mr. Deacon’s letter. The testimony of Mr. Drenth was to the effect that he did not make any oral representations concerning the risk, but gave the company’s representatives Plaintiff’s Exhibit #2 and a letter from Mr. Deacon, which listed the numbers of the trucks and the models and areas in which they were used. (R. 56, 60.)

It is also contended that Mr. Sturges and Mr. Haney made definite inquiries as to the names of the insurers and the number of losses for a period of three or four years previous to the application. There was some evidence which might have justified the court in making such a finding, but the court did not so find. The letter in which Mr. Drenth passed the inquiry on to Mr. Deacon corresponded substantially to the inquiry made by appellee as found by the court, and that was the inquiry to which Mr. Deacon was replying.

Appellee contends that the failure to prove intent to deceive is immaterial, invoking the rule that a false representation or concealment of fact, whether intentional or unintentional, which is material to the risk, vitiates the policy without the presence of an intent to deceive. Appellee did not plead and the court did not find that there was any unintentional misrepresentation or concealment material to the risk. Pleading and finding both sound in fraud and an essential element of fraud is the intent to deceive. The court did not find what facts, if any, were misrepresented, so we cannot determine whether or not

they were material to the risk. The only misrepresentation shown by the evidence is that of the name of the company which refused to renew the insurance. "Materiality is to be determined not by the event, but solely by the probable and reasonable influence of the facts upon the party to whom the communication is due, in forming his estimate of the disadvantages of the proposed contract, or in making his inquiries." (Insurance Code, Section 334.) Although concealment of the name of a previous insurer might have a probable and reasonable influence upon the prospective insurer in making his inquiries, mere misstatement of the name of the insurer could hardly be expected to hinder an inquiry, since the error must of necessity be promptly discovered when the information is used for that purpose. In the present case it so happened that the company named had actually carried the insurance, but not at the time mentioned, and the other information given in connection with the erroneous statement of the name made discovery of the mistake inevitable if inquiry were made. Failure to mention the other losses paid by the same company could not be reasonably expected to influence appellee in forming its estimate of the disadvantages of the proposed contract, when it was informed that the loss was too much and that the company which paid it withdrew the coverage shortly thereafter. Appellee could reasonably be expected to assume that there was adequate reason for the withdrawal and there was nothing to indicate that the loss mentioned was the only one. The applicant also knew that if appellee was interested in the

details of the experience which caused the other company to take such action, it could easily obtain them by further inquiry. It is not the actual influence of the omission upon the insurer which determines materiality but the influence which the applicant might reasonably have anticipated. The evidence not only fails to support the finding of fraud, but it would to the same extent have failed to support the finding of misrepresentation or concealment of material facts if such findings had been made.

Appellee relies upon Section 330 and 332 of the Insurance Code, but the proof fails to bring the case within the provisions of those sections. According to Section 330 an essential element of concealment is the duty to communicate, resting on the party who fails to communicate that which he knows. Defendant failed to establish any duty resting upon Mr. Deacon to communicate to defendant any fact in addition to the one fact which he did communicate, namely, that the company in which he was insured had paid a loss which cost too much and had refused to continue the insurance. That was an ultimate fact which fairly included within its scope all of the subsidiary facts constituting the reasons for the refusal. Under the provisions of Section 332 of the Insurance Code, he was required to communicate to defendant, in good faith, all facts which were or which he believed to be material to the contract, and which defendant had not the means of ascertaining. Communication of the fact that insurance had been refused by another company put appellee on notice that there were reasons for the refusal and appellee had the means of ascer-

taining what those reasons were. Appellee has preferred not to call the attention of this court to Section 336 of the Insurance Code, which provides that "The right to information of material facts may be waived * * * by neglect to make inquiries as to such facts, when they are distinctly implied in other facts of which information is communicated". The fact of a previous refusal of insurance distinctly implies that there were reasons for the refusal and, if the insurance company fails to make inquiries as to the reasons, the right to be informed as to further details of the facts constituting such reasons is waived.

Appellee falls back upon the rule that there is no primary duty to investigate and verify statements, to the truth of which the other party has deliberately pledged his faith, but the record fails to disclose any false and material statement to which the R. O. Deacon Lumber Company deliberately pledged its faith. The rule applies only to positive representations of fact and not to alleged concealment in reference to insurance. The provisions of the code limit the duty of the applicant for insurance to communicating to the insurer those facts which the insurer has not the means of ascertaining. (Insurance Code, Section 332.) All of the cases cited in appellants' opening brief are cases of concealment, and declare the law applicable thereto. The cases cited by appellee are cases of positive representation, and the principle by which they are governed is not applicable here. A party to a contract has a right to rely upon a positive representation of a material fact made by the other party, although he has the means of knowledge at

hand, but one party cannot charge the other with concealment of material facts if he has notice of circumstances sufficient to put a prudent man upon inquiry which, if pursued with reasonable diligence, would result in the discovery of the facts alleged to have been concealed.

It may be conceded that whether one has notice of circumstances sufficient to put a prudent man on inquiry is a question of fact, but it does not follow that this court cannot correct a plain error of the trial court in its determination of that fact. If there is room for a reasonable difference of opinion as to whether the circumstances are sufficient to put a prudent man upon inquiry, the decision of the trial court is final, but if their sufficiency is so clear that there is no reasonable ground for dispute, this court must declare them sufficient as a matter of law.

We find appellee's position concisely stated at page 26 of its brief. Counsel begin by stating our argument to be based upon the contention that appellee was negligent in not investigating and probing the facts until the truth was revealed. The doctrine on which we rely is not founded on the theory of negligence, but its basis is an assumption of bad faith. In our opening brief we quoted an authoritative statement of the doctrine from *Ruling Case Law*. (Vol. 20, p. 346.) It is there said that want of knowledge in such cases is a species of fraud, and that when one has actual knowledge of such facts as would put a prudent man on inquiry, it becomes his duty to make inquiry, and he is guilty of bad faith if he

neglects to do so. Although in this case it is possible that no individual agent of the corporate defendant was guilty of anything worse than negligence, the law can do nothing else than impute bad faith to the corporation as a legal entity. If, on the other hand, we are to accept the theory that Mr. Sturges relied upon the statements of the broker, rather than upon Mr. Haney's recommendation, in issuing the policy, he was guilty of bad faith in relying upon such statements without an investigation of the statements made by Mr. Deacon in his letter. Appellee contends that it was informed by the broker that only the Maryland Casualty Company and the Madison Insurance Company had been the carriers of the R. O. Deacon Lumber Company's insurance for several years previous, and that this was a positive representation of fact upon which appellee was entitled to rely. Mr. Drenth's statement was not made in that positive and definite form. The testimony of Mr. Sturges was that the broker claimed that the two companies covered the period of several years previous. That testimony was given before the letter was called to his attention and, on cross-examination after the letter was read to him, he contradicted it. His corrected testimony was that Mr. Drenth told him that he had secured the information from the Deacon Lumber Company and had submitted it to appellee's office, and that he stated that the Maryland Casualty Company had one claim, and that there were some small claims in the Madison. The witness stated that he did not recall that anything further was discussed. Apparently he did not mean to testify

that the broker said the two companies had been the only insurers for several consecutive years immediately preceding the application, but, assuming that he did, this statement was coupled with a statement of the losses suffered by the two companies which showed that if they were the only two insurers, the statements contained in Mr. Deacon's letter could not be true. The statement of the broker as a whole was contradicted by the written statement of the principal. Consequently, it could not be considered as a positive statement of fact to which the principal had deliberately pledged his faith, even though it was within the general scope of the agent's authority to make it, and would have bound the principal if it had stood alone. Appellee undertook an independent investigation and asked the Maryland Casualty Company for the total amount of claims paid by it, but did not inquire as to the period of time covered by the insurance, although it well knew that such an inquiry would be necessary to a settlement of the conflict between the statements of the broker and those of the principal. Mr. Deacon's letter was not cryptic, and its meaning would have been evident to any reasonable man in the situation of appellee. After appellee found that the statements were erroneous, there was no justification for assuming that the error consisted in the fact of insurance having been withdrawn, and not in the name of the company which carried the insurance at the time. It might have been either, and error in the name of the company would have suggested itself to a reasonable man as being much more likely to occur. At any rate it

was the safer lead to follow, and any prudent person would have followed it. It seems hardly necessary to say that if Mr. Deacon's attention had been called to the mistake, he would have informed appellee that it was the Metropolitan Casualty Company which withdrew the coverage, and inquiry from that company would have revealed all of the facts, just as it did after the loss had occurred.

The statement over the signature of its own president that the R. O. Deacon Lumber Company's insurance had been cancelled by another company after a heavy loss was a red flag posted beside the track as a warning signal of danger, and if the engineer chose to disregard the warning, the passengers are entitled to hold the railroad company responsible for the consequences. In that case, it would make no difference who told him that the signal had been posted as a Halloween prank. Anyone who takes the responsibility of ordering the train to proceed must know why the red flag was there.

The final contention is that appellee would be entitled to prevail upon the defense of fraud, even if it were not entitled to rescind. Our specification of errors is drawn so as to conform to the findings and conclusions of law which were framed upon the theory of rescission. The argument which we have presented, however, is equally applicable to rescission and to fraud as an affirmative defense, without rescission. We have not attacked the findings and conclusion with respect to rescission upon any ground which would not have been applicable to the simple find-

ings of fraud and concealment. Our argument upon the point that the rescission was not in time is in reality directed to the point that the right of rescission never existed.

Appellee complains that our specification of errors in our opening brief and our designation of points for the purpose of printing the record are not the same. A comparison of the two will show that they cover the same ground, although they are not identical in form. The designation of points may be general, and if it enables appellee to determine what papers he should ask to have included in the printed transcript, it is sufficient. Greater particularity is required in the specification of errors. In drafting the specification of errors we had to deal with the findings and conclusions of law as they were written, and, to the best of our ability under the circumstances, we endeavored to make our points clear to the court and opposing counsel.

We submit that the judgment is contrary to the evidence and should be reversed.

Dated, Fresno, California,
April 9, 1941.

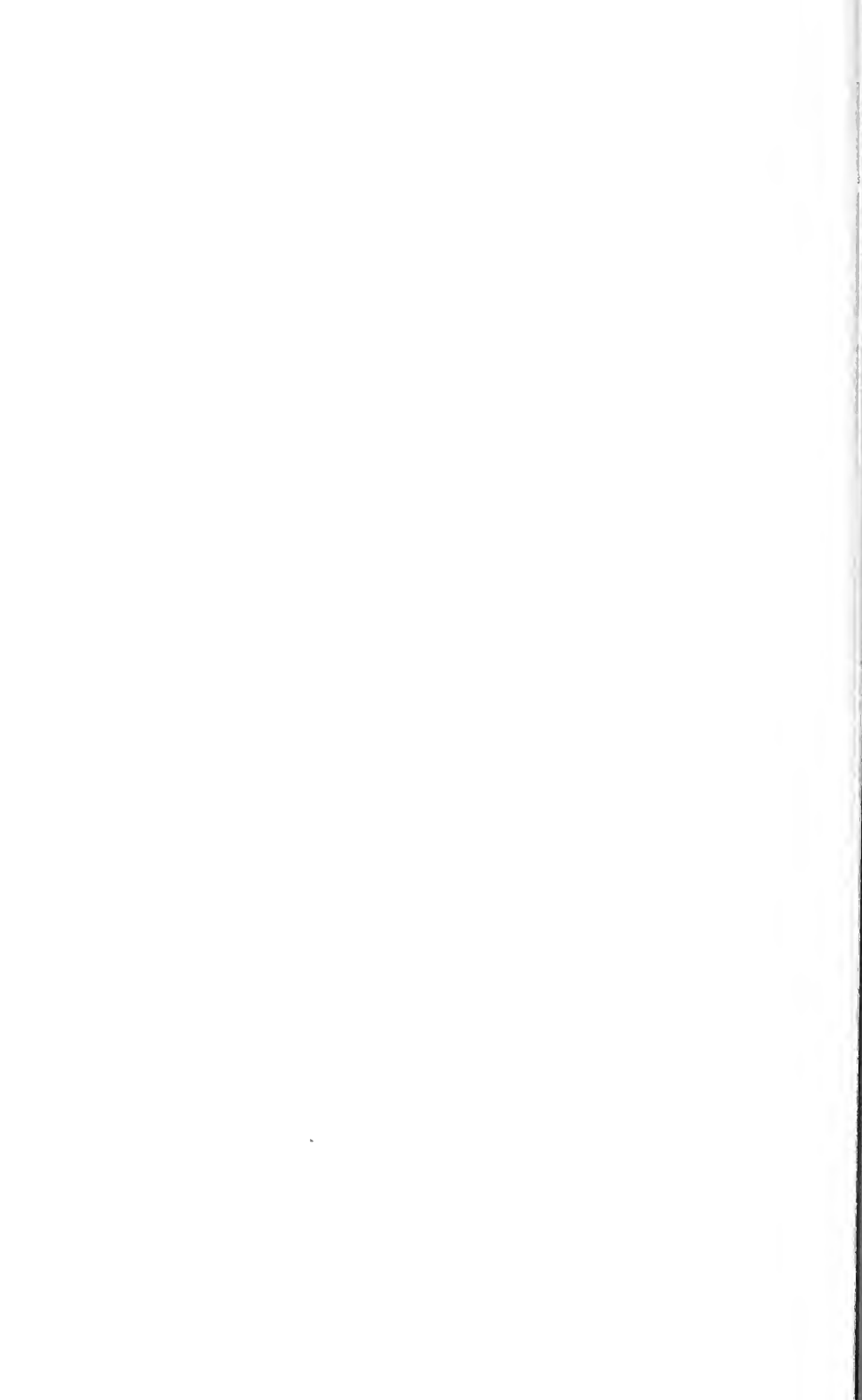
Respectfully submitted,

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United States
Circuit Court of Appeals

For the Ninth Circuit.

SUN CHONG LEE alias COLONEL LEE,
Appellant,

vs.

UNITED STATES OF AMERICA,
Appellee.

Transcript of Record

Upon Appeal from the District Court of the United
States for the Territory of Hawaii.

FILED

APR - 9 1941

PAUL P. O'BRIEN,
CLERK



United States
Circuit Court of Appeals
For the Ninth Circuit.

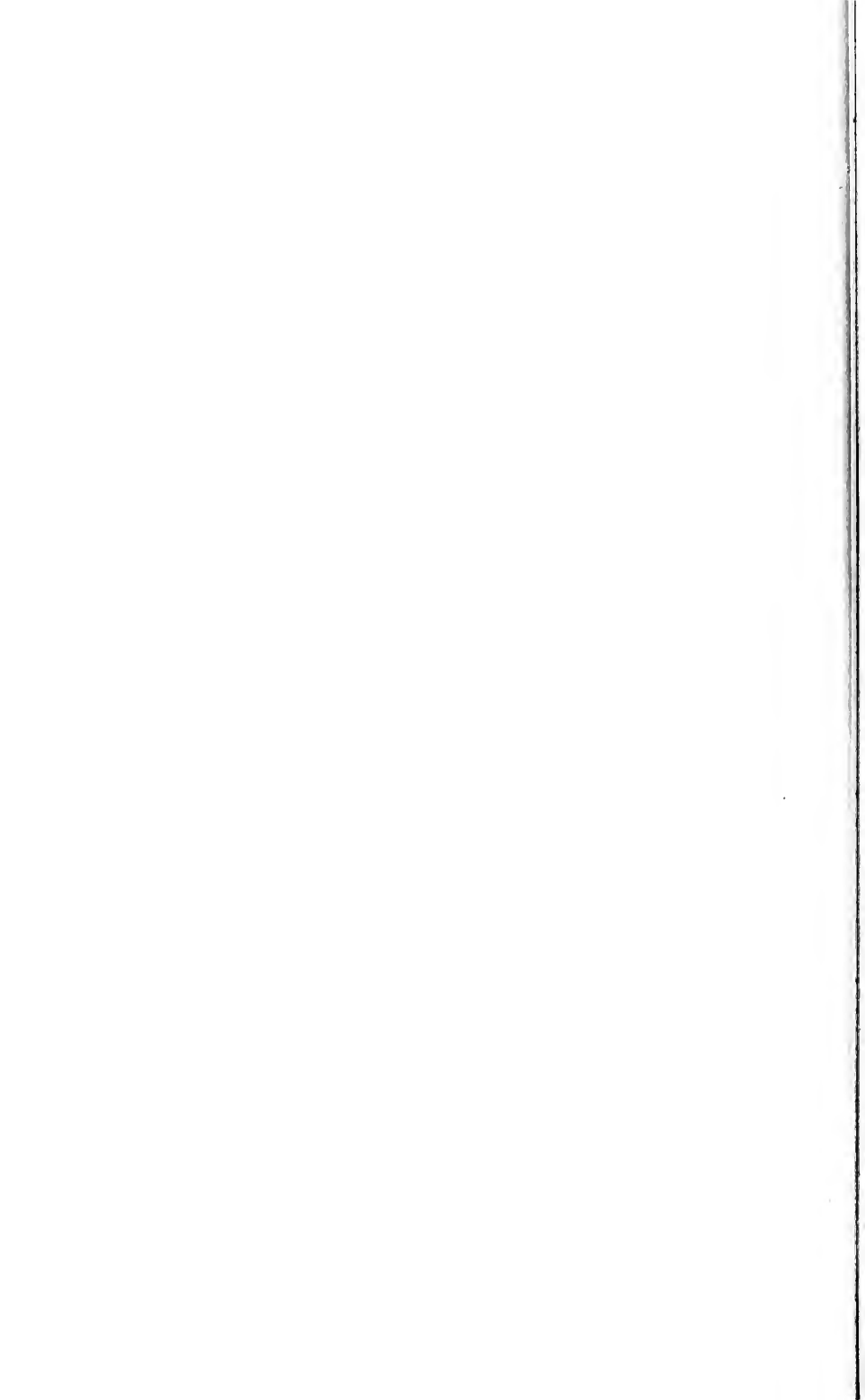
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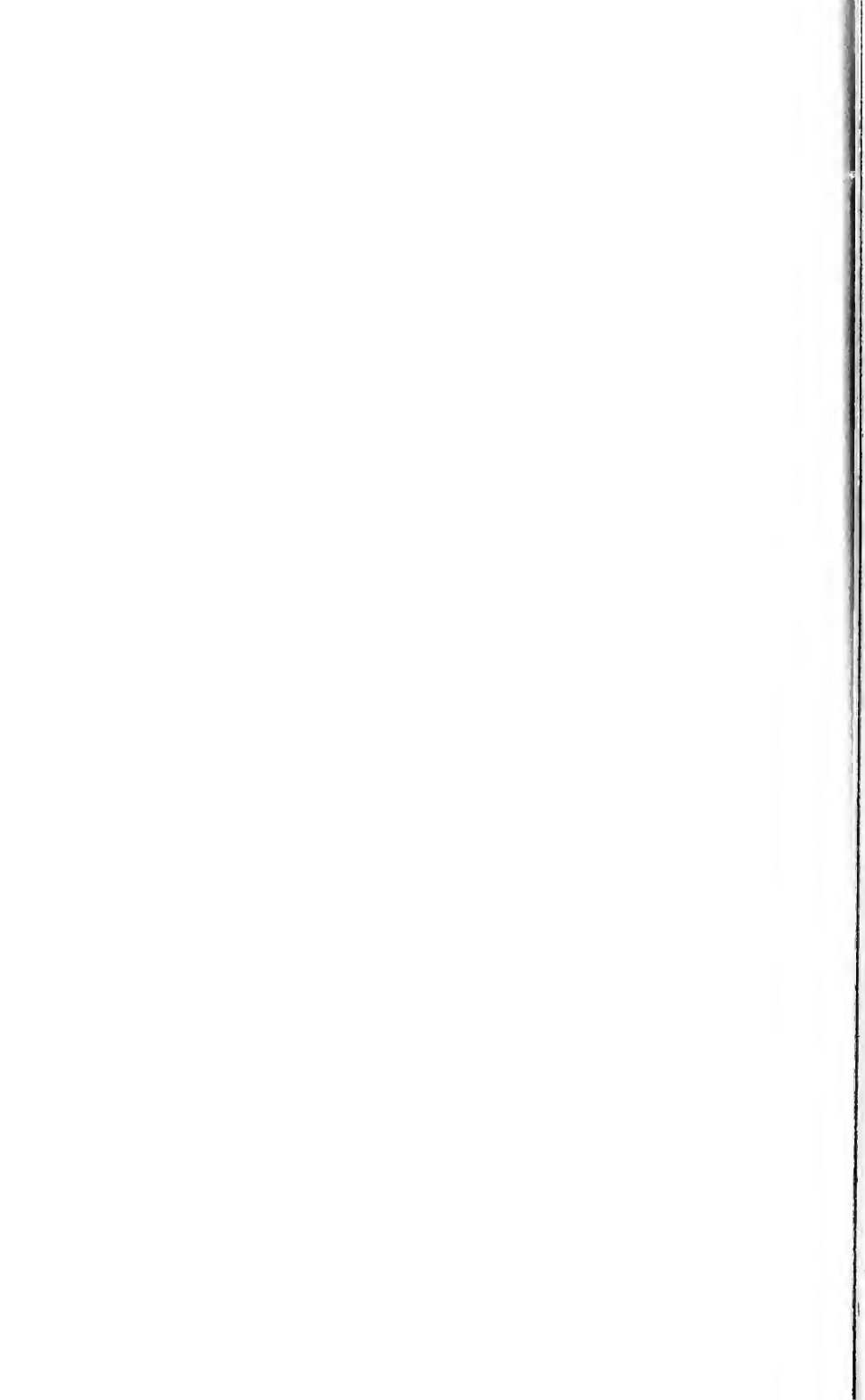
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[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original certified record are printed literally in italic: and, likewise, cancelled matter appearing in the original certified record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in italic the two words between which the omission seems to occur.]

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*Page numbering appearing at foot of page of original certified Transcript of Record.

In the United States District Court for the
Territory of Hawaii
October Term 1940
Cr. No. 9336.

THE UNITED STATES OF AMERICA,
Plaintiff,
vs.

PENNY OWENS, SUN CHONG LEE alias
COLONEL LEE alias S. C. LEE, and ANNE
LEWIS alias BUDDY alias BUDDY WIL-
SON alias ANNA READ alias ANNE MIL-
LER alias CUMA ANNE LEWIS alias CUMA
ANNE OKAMURA,
Defendants.

BILL OF EXCEPTIONS AS TO DEFENDANT
SUN CHONG LEE ALIAS COLONEL LEE

Be It Remembered: That an indictment was re-
turned against the defendant Sun Chong Lee alias
Colonel Lee and others in the above entitled matter
on the 15th day of August, 1940, said indictment
being in words and figures as follows, to-wit:

“In the United States District Court for the
Territory of Hawaii

April Term 1940

Count I: Sec. 399, Title 18, United States
Code.

Count II: Sec. 398, Title 18, United States
Code.

United States of America

District of Hawaii—ss.

Count I

“The Grand Jurors of the United States, empaneled, sworn and charged at the term aforesaid, of the Court aforesaid, on their oath present that:

Penny Owens,

Sun Chong Lee alias Colonel Lee alias S. C. Lee, and [50]

Anne Lewis alias Buddy alias Buddy Wilson alias Anna Read alias Anne Miller alias Cuma Anne Lewis alias Cuma Anne Okamura,

(hereinafter called defendants), on or about the 5th day of June, 1940, at and within the Territory and District of Hawaii and within the jurisdiction of this Court, jointly, knowingly, wilfully, unlawfully and feloniously did persuade, induce, entice and coerce a certain woman, to-wit: Nancy O'Connor, to go from Honolulu, City and County of Honolulu, Territory of Hawaii, to Wailuku, Island and County of Maui, Territory of Hawaii, with the intent and purpose in them, the said defendants, to induce and coerce her, the said Nancy O'Connor, and that she should be induced and coerced, to engage in prostitution and debauchery and other immoral practices; and that the said defendants then and there and in furtherance of such purpose jointly, knowingly, wilfully, unlawfully and feloniously did transport

and cause to be transported the said Nancy O'Connor from Honolulu aforesaid to Wailuku, Island and County of Maui, Territory of Hawaii, as a passenger upon the Inter-Island Airways, Ltd., contrary to law and to the form of the Statute in such case made and provided and against the peace and dignity of the United States of America.

Count II.

“The Grand Jurors of the United States, empaneled, sworn and charged at the term aforesaid, of the Court aforesaid, on their oath present that:

Penny Owens,

Sun Chong Lee alias Colonel Lee alias S. C. Lee; and

Anne Lewis alias Buddy alias Buddy Wilson alias Anna Read alias Anne Miller alias Cuma Anne Lewis alias Cuma Anne Okamura,

(hereinafter called defendants), the identical persons named in Count I of this Indictment, on or about the 5th day of June, 1940, at and within the Territory and District of Hawaii and within the jurisdiction of this Court, did jointly, knowingly, wilfully, unlawfully [51] and feloniously transport and cause to be transported, and did aid and assist in obtaining transportation for and in transporting a certain woman, to wit: Nancy O'Connor, from Honolulu, City and County of Honolulu, Ter-

ritory of Hawaii, to Kihei, Island and County of Maui, Territory of Hawaii, for the purpose of prostitution and debauchery and other immoral purposes, and with the intent and purpose on the part of them, the said defendants, to induce, entice, and compel said Nancy O'Connor to practice prostitution and to give herself up to debauchery and other immoral practices on the Island of Maui, Territory of Hawaii, contrary to law and to the form of the statute in such case made and provided and against the peace and dignity of the United States of America.

A True Bill:

(s) E. L. KNICKERBOCKER

(S) INGRAM M. STAINBACK

United States Attorney District of Hawaii”

and thereafter the said Sun Chong Lee alias Colonel Lee was duly arraigned in the United States District Court for the Territory of Hawaii.

Prior to the entry of a plea in said matter the said defendant, Sun Chong Lee alias Colonel Lee, filed in said Court a Demurrer to said indictment, said Demurrer being in words and figures as follows, to-wit:

(Title, Court and Cause omitted.)

DEMURRER.

“Come now Penny Owens and Sun Chong Lee, two of the defendants above named, and

hereby demur to the indictment on file herein on the following grounds, to-wit:

I.

“That Count one of said indictment is not sufficient in law to compel them or either of them to answer thereto.

II.

“That said count is duplicitous. [52]

III.

“That said count fails to set forth and charge where the said defendants are alleged to have persuaded, enduced, enticed and coerced one, Nancy O’Connor, to go from Honolulu to Wailuku in the Territory of Hawaii; that is to say, whether said claimed persuasion, enducement, enticement and coercion occurred at a place within the jurisdiction of this court or otherwise.

IV.

“That it does not appear in said count the manner or means used and employed in connection with the transportation of the said Nancy O’Connor from Honolulu to Wailuku or whether said transportation occurred over the route of a common carrier or otherwise.

V.

“That said count is vague, uncertain and indefinite.

VI.

“That it does not appear from said count when or at what time or manner said Nancy O’Connor was transported from Honolulu to Wailuku.

VII.

“That it affirmatively appears from said count that the transportation of said Nancy O’Connor was intra-territorial only.

VIII.

“That Title 18, Section 403, U. S. Code, excludes the Territory of Hawaii from the provisions of Section 399 and Section 398, Title 18, U. S. Code, in their intra-territorial application.

“Wherefore, defendants pray that said indictment and each count thereof be quashed and that they go hence without day. [53]

Dated at Honolulu, this 21st day of August, A. D. 1940.

PENNY OWENS and SUN
CHONG LEE—Two of the
defendants above named,

By (s) E. J. BOTTS

Their Attorney.”

That thereafter, to-wit: on the 22nd day of August, 1940, said Demurrer was duly argued and submitted to the Court for ruling, and the Court on said last mentioned day overruled said Demurrer, to which ruling said defendant, Sun Chong Lee alias Colonel Lee, did then and there except.

That thereafter the said defendant, Sun Chong Lee alias Colonel Lee, did enter his plea of not guilty to the charge contained in the indictment herein, and the cause being at issue, thereafter, to-wit: on the 28th day of August, 1940, came on for trial, a jury was duly impaneled, and evidence was introduced on behalf of the prosecution and the defendant, and at the conclusion of said evidence the jury was instructed by the Court and thereafter retired to consider its verdict. That on the 6th day of September, 1940, the jury returned its verdict herein in the following words and figures, to-wit:

(Title, Court and Cause omitted.)

“VERDICT

“We the Jury, duly impaneled and sworn in the above entitled cause do hereby find as follows: Sun Chong Lee alias Colonel Lee:

of Count One Guilty
of Count Two Guilty

“Dated at Honolulu, T. H., September 6, 1940.

(S) CHARLES F. SCHUTTE,
Foreman.” [54]

to which verdict the defendant Sun Chong Lee alias Colonel Lee did then and there duly except.

Forasmuch as the matters above set forth do not all fully appear as of record, defendant, Sun Chong Lee alias Colonel Lee, tenders this, his Bill of Exceptions and prays that the same may be signed and approved by the judge of this Court.

Dated at Honolulu, T. H., this 27 day of November, A. D. 1940.

(S) E. J. BOTTS,

Attorney for defendant Sun Chong Lee alias Colonel Lee.

The foregoing Bill of Exceptions was filed on the 27 day of November, A. D. 1940, within the time allowed for filing Bills of Exception. Said Bill being found conformable to the truth is hereby approved, allowed and settled and made a part of the record herein.

Dated: Honolulu, T. H., December 4, A. D. 1940.

(S) D. E. METZGER

Judge, United States District Court for the Territory of Hawaii

Receipt of a copy of the within is hereby acknowledged this 27th day of November, 1940.

(S) ANGUS M. TAYLOR, JR.

Attorney for plaintiff, Acting U. S. Attorney.

[Endorsed]: Filed Nov. 27, 1940. [55]

District Court of the United States
 Hawaii District
Division

No. 9336

Criminal Indictment in two (2) counts for violation of U. S. C., Title 18, Secs. 398 and 399.

UNITED STATES

v.

PENNY OWENS, et al.

JUDGMENT AND COMMITMENT AS TO DEFENDANT SUN CHONG LEE ALIAS COLONEL LEE.

On this 14th day of September, 1940, came the United States Attorney, and the defendant Sun Chong Lee alias Colonel Lee, appearing in proper person, and by his counsel, E. J. Botts, Esq., and,

The defendant having been convicted on a verdict of "Guilty" of the offense charged in the Indictment in the above-entitled cause, to wit: Violation of the White Slave Traffic Act, and the defendant having been now asked whether he has anything to say why judgment should not be pronounced against him, and no sufficient cause to the contrary being shown or appearing to the Court, It Is by the Court

Ordered and Adjudged that the defendant, having been found guilty of said offenses, is hereby sentenced as to Count I of said Indictment to pay a fine of Five Hundred Dollars (\$500.00) and to serve Three (3) Months in the City and County

Jail at Honolulu, T. H. As to Count II of the Indictment, the imposition of sentence is suspended and the defendant is placed on probation under Rule 131 of this Court, for the period of Three (3) Years, said probationary sentence to begin upon the Defendant's release from jail. Costs are hereby remitted.

Mittimus as to the payment of said fine and as to said jail sentence is hereby stayed until 11:30 A.M. on Monday, the 16th day of September, 1940. and that said defendant be further imprisoned until payment of said fine, or until said defendant is otherwise discharged as provided by law.

It Is Further Ordered that Otto F. Heine, United States Marshal for the District of Hawaii, and his Deputies, who are duly authorized probation officers of this Court, shall act as the Defendant's probation officers.

It Is Further Ordered that the Clerk deliver a certified copy of this judgment and commitment to the United States Marshal or other qualified officer and that the same shall serve as the commitment herein.

(Signed) D. E. METZGER

United States District Judge.

A True Copy. Certified this.....day of.....

(Signed).....

Clerk.

(By).....

Deputy Clerk.

[Endorsed]: Filed Sept. 14, 1940. [14]

[Title of District Court and Cause.]

PETITION FOR APPEAL.

To the Honorable, the Presiding Judge of the Above
Entitled Court:

Comes now Sun Chong Lee alias Colonel Lee, one of the defendants above named, and conceiving himself aggrieved by the Judgment, Order and Sentence made and entered herein in the above entitled proceedings, does hereby appeal from said judgment, order and sentence to the Circuit Court of Appeals for the Ninth Circuit, and files herewith his Assignment of Errors intended to be urged upon appeal and prays that his appeal may be allowed and that a transcript of all proceedings and papers upon which said judgment, order and sentence was made, duly authenticated, may be sent to the Circuit Court of Appeals for the Ninth Circuit of the United States.

Dated at Honolulu, this 19th day of November,
A. D. 1940.

SUN CHONG LEE alias
COLONEL LEE—One of the
defendants above named,

By (S) E. J. BOTTS

His Attorney.

Receipt of a copy of the foregoing Petition for Appeal is hereby acknowledged, this 19 day of Nov., 1940.

(S) ANGUS M. TAYLOR, JR.
Assistant U. S. District Attorney.

[Endorsed]: Filed Nov. 19, 1940. [35]

[Title of District Court and Cause.]

ORDER ALLOWING APPEAL.

Upon the application of Sun Chong Lee alias Colonel Lee, one of the defendants above named, and upon the motion of his attorney, E. J. Botts, Esquire,

It Is Hereby Ordered that the petition for appeal, heretofore filed herein by said defendant, Sun Chong Lee alias Colonel Lee, be and the same is hereby granted and the appeal to the United States Circuit Court of Appeals for the Ninth Circuit from the judgment, order and sentence herein and heretofore filed, be and the same is hereby allowed and a record of the proceedings and papers pertinent to the matters and questions sought to be reviewed be prepared, certified and authenticated and transmitted, under the seal of the Clerk of this Court, to the United States Circuit Court of Appeals for the Ninth Circuit of the United States at San Francisco, State of California. [44]

Dated at Honolulu, this 19 day of November, A. D. 1940.

(S) D. E. METZGER

Judge of the above-entitled court.

Receipt of a copy of the foregoing Order Allowing Appeal is hereby acknowledged, this 19 day of Nov., 1940.

(S) ANGUS M. TAYLOR, JR.

Assistant U. S. District Attorney.

[Endorsed]: Filed Nov. 19, 1940. [45]

[Title of District Court and Cause.]

ASSIGNMENT OF ERRORS.

Comes now Sun Chong Lee alias Colonel Lee, one of the defendants above named, and says that in the records and proceedings of the above entitled matter there is manifest error and that the final judgment is erroneous and against the just rights of defendant in this, to-wit:

I

That the Court erred in overruling the demurrer interposed herein by said defendant, Sun Chong Lee alias Colonel Lee.

II

That the Court erred in holding and finding (by overruling the demurrer interposed herein) that the charge contained in Count One of the indictment herein, predicated on Section 399 Title 18, U. S. Code, sufficiently charged a criminal offense under said section notwithstanding it was nowhere alleged in said indictment that the transportation complained of therein occurred over the route of a common carrier. [37]

III

That the Court erred in overruling the demurrer with respect to Count One of said indictment by reason of the fact that said count failed to allege that the transportation complained of in said indictment occurred over the route of a common carrier.

IV

That the Court erred in overruling the demurrer herein by reason of the fact that Section 403, Title 18, U. S. Code excludes the Territory of Hawaii from the provisions of Sections 398 and 399, Title 18, U. S. Code, with respect to intra-territorial transportation.

Wherefore, said defendant prays that the judgment and sentence of the Court herein may be reversed, annulled and held for naught and that the said defendant may be discharged and may have such other and further relief as may be proper in the premises.

Dated at Honolulu, this 19 day of November, A. D. 1940.

SUN CHONG LEE alias
COLONEL LEE—One of the
defendants above named,

By (S) E. J. BOTTS

His Attorney.

Receipt of a copy of the foregoing Assignment of Errors is hereby acknowledged, this 19 day of Nov., 1940.

(s) ANGUS M. TAYLOR, JR.
Assistant U. S. District Attorney.

[Endorsed]: Filed Nov. 19, 1940. [38]

[Title of District Court and Cause.]

CERTIFICATE OF CLERK, U. S. DISTRICT
COURT TO TRANSCRIPT OF RECORD
ON APPEAL

United States of America,
Territory of Hawaii.—ss.

I, Wm. F. Thompson Jr., Clerk of the United States District Court for the Territory of Hawaii, do hereby certify that the foregoing pages numbered from 1 to 57 inclusive are a true and complete transcript of the record and proceedings had in said court in the above-entitled cause, as the same remains of record and on file in my office, and I further certify that I am attaching hereto the original citation on appeal and that the costs of the foregoing transcript of record are \$16.25 and that said amount has been paid to me by the appellant.

In Testimony Whereof, I have hereto set my hand and affixed the seal of said court this 15th day of January, A. D. 1941.

(Seal)

WM. F. THOMPSON, JR.,
Clerk U. S. District Court, Territory of Hawaii.

[58]

[Endorsed]: No. 9726. United States Circuit Court of Appeals for the Ninth Circuit. Sun Chong Lee alias Colonel Lee, Appellant, vs. United States of America, Appellee. Transcript of Record. Upon Appeal from the District Court of the United States for the Territory of Hawaii.

Filed January 22, 1941.

PAUL P. O'BRIEN,
Clerk of the United States Circuit Court of Appeals
for the Ninth Circuit.

In the United States Circuit Court of Appeals
for the Ninth Circuit
Case No. 9726.

SUN CHONG LEE,

Appellant,

vs.

THE UNITED STATES OF AMERICA,

Appellee.

NOTICE OF STATEMENT OF POINTS RELIED UPON AND DESIGNATION OF PARTS OF RECORD TO BE PRINTED.

Comes now Sun Chong Lee, appellant above named, and hereby gives notice, pursuant to Subdivision 6 of Rule 19, that the points relied upon in the above entitled appeal are set forth in the Assignment of Errors which is hereby adopted as the points on appeal referred to in said rule.

That the parts of the record desired by appellant to be printed are as follows:

- | | |
|--------------------------|-------------|
| 1. Bill of Exceptions | Pages 49-55 |
| 2. Assignments of Errors | “ 36-38 |
| 3. Petition for Appeal | “ 34-35 |
| 4. Order Allowing Appeal | “ 43-45 |
| 5. Cert. of Clerk | |

Dated at Honolulu, T. H., this 29th day of January, 1941.

SUN CHONG LEE—Appellant
By E. J. BOTTS

His Attorney.

Receipt of a copy of the foregoing Notice of Statement of Points Relied Upon and Designation of Parts of Record to be Printed is hereby acknowledged, this 30 day of Jan., 1941.

ANGUS M. TAYLOR, JR.

Acting U. S. District Attorney.

[Endorsed]: Filed Feb. 13, 1941. Paul P. O'Brien, Clerk.

14

No. 9726

IN THE
United States Circuit Court of Appeals
For the Ninth Circuit

SUN CHONG LEE alias Colonel Lee,
Appellant,

VS.

UNITED STATES OF AMERICA,
Appellee.

BRIEF FOR APPELLANT.

E. J. BOTTS,
208 Stangenwald Building, Honolulu, T.H.,
HERBERT CHAMBERLIN,
210 Post Street, San Francisco, California,
Attorneys for Appellant.

FILED

APR 30 1941

PAUL P. O'BRIEN,
CLERK



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No. 9726

IN THE
United States Circuit Court of Appeals
For the Ninth Circuit

SUN CHONG LEE alias Colonel Lee, <i>Appellant,</i>
vs.
UNITED STATES OF AMERICA, <i>Appellee.</i>

BRIEF FOR APPELLANT.

STATEMENT OF JURISDICTION.

This is an appeal in a criminal case. The indictment against appellant was filed in the United States District Court for the Territory of Hawaii. (R. 2-5.) It charged him with violating the White Slave Traffic Act in said territory. (28 U.S.C.A., sec. 405.) Jurisdiction of the said district court is therefore sustained by the Organic Act of Hawaii (48 U.S.C.A., secs. 641-645) and by the said White Slave Traffic Act (18 U.S.C.A., sec. 401). The final decision of the said district court was entered on September 14, 1940. (R. 10-11.) Application for appeal was filed and allowed on November 19, 1940. (R. 12-13.) The appeal was therefore timely. (18 U.S.C.A., sec. 230.) Jurisdiction of this court to

review the said final decision is sustained by section 128 of the Judicial Code, amended. (28 U.S.C.A., sec. 225 (a) (d).)

STATEMENT OF THE CASE.

By the indictment (R. 2-5) appellant was charged with two violations of the White Slave Traffic Act. (18 U.S.C.A., secs. 397-404.) The first count in the indictment was based on section 3 of the said act (18 U.S.C.A., sec. 399). (R. 2.) It alleged that appellant and others induced one Nancy O'Connor to go from Honolulu, City and County of Honolulu, Territory of Hawaii, to Wailuku, Island and County of Maui, Territory of Hawaii, for immoral purposes, and caused her to be transported from Honolulu to Wailuku "as a passenger upon the Inter-Island Airways, Ltd.," (R. 3-4.)

The second count in the indictment was based on section 2 of the White Slave Traffic Act (18 U.S.C.A., sec. 398). (R. 2.) It alleged that appellant and others caused the said Nancy O'Connor to be transported from Honolulu, City and County of Honolulu, Territory of Hawaii, to Kihei, Island and County of Maui, Territory of Hawaii, for immoral purposes. (R. 4-5.)

Before entering his plea the appellant, jointly with a codefendant, filed a demurrer to the indictment. (R. 5-7.) Respecting the first count the demurrer specified generally "That Count one of said indictment is not sufficient in law to compel them or either of them to answer thereto", and specifically "That it does not

appear in said count the manner or means used and employed in connection with the transportation of the said Nancy O'Connor from Honolulu to Wailuku or whether said transportation occurred over the route of a common carrier or otherwise". (R. 6.) Respecting both the first and second count the demurrer specified "That Title 18, Section 403, U.S.Code, excludes the Territory of Hawaii from the provisions of Sections 399 and 398, Title 18, U.S.Code, in their intra-territorial application". (R. 7.)

The demurrer was overruled. (R. 8.) At the trial, the jury found appellant guilty on both said counts. (R. 8.) The final judgment entered upon the conviction on September 14, 1940, sentenced appellant as follows (R. 10-11):

"Ordered and Adjudged that the defendant, having been found guilty of said offenses, is hereby sentenced as to Count I of said Indictment to pay a fine of Five Hundred Dollars (\$500.00) and to serve Three (3) Months in the City and County Jail at Honolulu, T.H. As to Count II of the Indictment, the imposition of sentence is suspended and the defendant is placed on probation under Rule 131 of this Court, for the period of Three (3) Years, said probationary sentence to begin upon the Defendant's release from jail. Costs are hereby remitted."

Application for appeal was made and allowed on November 19, 1940. (R. 12-13.) In accordance with Rule 2 (a) of this court respecting criminal appeals assignment of errors was filed with the clerk of the trial court. (R. 14-15.) And in accordance with Rule

19, subd. 6, of this court, appellant filed in this court a statement of the points on which he intended to rely on the appeal and a designation of the parts of the record which he thought necessary for the consideration thereof. (R. 17.)

The questions involved on the appeal are these: *First*, Does the first count of the indictment charge a crime under section 3 of the White Slave Traffic Act (18 U.S.C.A., sec. 399) in the absence of allegation that transportation was upon the line or route of a common carrier? *Second*, Does section 7 of the White Slave Traffic Act (18 U.S.C.A., sec. 403) make the act inapplicable to the Territory of Hawaii and render the indictment insufficient to charge any crime?

These questions were raised by the demurrer to the indictment. (R. 5-7.) The trial court answered both questions adversely to appellant. (R. 8.) Both questions were preserved by the assignment of errors. (R. 14-15.)

**SPECIFICATION BY NUMBER OF ASSIGNED ERRORS
RELIED UPON.**

I

That the Court erred in overruling the demurrer interposed herein by said defendant, Sun Chong Lee alias Colonel Lee. (R. 14.)

II

That the Court erred in holding and finding (by overruling the demurrer interposed herein) that the

charge contained in Count One of the indictment herein, predicated on Section 399, Title 18, U.S.Code, sufficiently charged a criminal offense under said section notwithstanding it was nowhere alleged in said indictment that the transportation complained of therein occurred over the route of a common carrier. (R. 14.)

III

That the Court erred in overruling the demurrer with respect to Count One of said indictment by reason of the fact that said count failed to allege that the transportation complained of in said indictment occurred over the route of a common carrier. (R. 14.)

IV

That the Court erred in overruling the demurrer herein by reason of the fact that Section 403, Title 18, U.S.Code excludes the Territory of Hawaii from the provisions of Sections 398 and 399, Title 18, U.S.Code, with respect to intra-territorial transportation. (R. 15.)

ARGUMENT OF THE CASE.

A. SUMMARY.

The first count in the indictment was based on section 3 of the White Slave Traffic Act. (18 U.S.C.A., sec. 399.) An essential element of the crime denounced by said section 3 is that transportation must be upon the line or route of a common carrier. The first count in the indictment failed to allege this essential element.

Therefore the first count in the indictment is insufficient to allege a violation of said section 3 or sustain a conviction thereunder.

The term "Territory" as used in the White Slave Traffic Act is defined by section 7 of the said act. (18 U.S.C.A., sec. 403.) The definition thus given necessarily excludes the Territory of Hawaii. Both counts in the indictment allege intra-territorial transportation within the Territory of Hawaii. Therefore, neither count in the indictment is sufficient to charge a violation of the said act or sustain a conviction thereunder.

B. POINTS OF FACT AND LAW.

1. THAT THE COURT ERRED IN HOLDING AND FINDING (BY OVERRULING THE DEMURRER INTERPOSED HEREIN) THAT THE CHARGE CONTAINED IN COUNT ONE OF THE INDICTMENT HEREIN, PREDICATED ON SECTION 399, TITLE 18, U.S. CODE, SUFFICIENTLY CHARGED A CRIMINAL OFFENSE UNDER SAID SECTION NOTWITHSTANDING IT WAS NOWHERE ALLEGED IN SAID INDICTMENT THAT THE TRANSPORTATION COMPLAINED OF THEREIN OCCURRED OVER THE ROUTE OF A COMMON CARRIER. (Assignment of Error No. II, R. 14.)

As originally enacted, the White Slave Traffic Act contained eight sections consecutively numbered 1 to 8. (Act of June 25, 1910, c. 395, 36 Stat. 825.) The act now appears as 18 U.S.C.A., secs. 397-404.

The first count in the indictment was based on section 3 of the said act. (18 U.S.C.A. 399.) The section reads:

"Any person who shall knowingly persuade, induce, entice, or coerce, or cause to be persuaded, induced, enticed, or coerced, or aid or assist in persuading, inducing, enticing, or coercing any

woman or girl to go from one place to another in interstate or foreign commerce, or in any Territory or the District of Columbia, for the purpose of prostitution or debauchery, or for any other immoral purpose, or with the intent and purpose on the part of such person that such woman or girl shall engage in the practice of prostitution or debauchery, or any other immoral practice, whether with or without her consent, *and who shall thereby knowingly cause or aid or assist in causing such woman or girl to go and to be carried or transported as a passenger upon the line or route of any common carrier or carriers* in interstate or foreign commerce, or any Territory or the District of Columbia, shall be deemed guilty of a felony and on conviction thereof shall be punished by a fine of not more than \$5,000, or by imprisonment for a term not exceeding five years or by both such fine and imprisonment, in the discretion of the court." (Emphasis added.)

It is plain from a reading of the emphasized part of the above quoted section that transportation upon the line or route of a common carrier is an essential element of the crime denounced by the section. And the cases leave no doubt on the subject.

Sloan v. United States, C.C.A.Mo. 1923, 287 F. 91;

Alpert v. United States, C.C.A.N.Y.1926, 12 F. 2d 352;

Blain v. United States, C.C.A.Iowa, 1927, 22 F. 2d 393;

Coltabellotta v. United States, C.C.A.N.Y.1930, 45 F. 2d 117;

United States v. Saledonis, C.C.A.Conn.1938, 93 F. 2d 302.

In *Blain v. United States*, 22 F. 2d 393, it was said, at page 395:

“It is contended by defendant that the mode of travel should have been set out. This is not necessary under Section 2 of the Act (*Wilson v. United States*, 232 U.S. 563, 34 S.Ct. 347, 58 L.Ed. 728); and the fact that a common carrier was not mentioned shows that the indictment was drawn under Section 2, and not under Section 3 or Section 4 (18 U.S.C.A., secs. 398-400). Under the two last sections transportation by common carrier is an ingredient of the offense.”

And in *United States v. Saledonis*, 93 F. 2d 302, it was said, at page 302:

“Transportation referred to in section 2 (18 U.S.C.A., sec. 398) may be either by public or private carrier as long as it involves crossing state lines. But section 3 (18 U.S.C.A., sec. 399) makes the offense the offering of an inducement by one who shall ‘thereby knowingly cause’ such woman to go on a common carrier in interstate commerce. Thus there are two distinct crimes set forth in the statute.”

The first count in the indictment based on said section 3 (R. 2) failed to allege the essential element of transportation by common carrier. It alleged:

“and that the said defendant then and there and in furtherance of such purpose jointly, knowingly, wilfully, unlawfully and feloniously did transport and cause to be transported the said Nancy O’Connor from Honolulu aforesaid to Wailuku, Island and County of Maui, Territory of Hawaii, as a passenger upon the Inter-Island Airways, Ltd., . . .” (R. 3-4.)

The first count in the indictment was devoid of allegation that the Inter-Island Airways, Ltd. was a common carrier. In *Alpert v. United States*, 12 F. 2d 352, it was held that an indictment charging transportation by means of automobile was insufficient to charge transportation by a common carrier; and in *Coltabellotta v. United States*, 45 F. 2d 117, it was held that evidence that transportation was by "bus which took passengers who had tickets" was insufficient to establish that transportation was by common carrier. Manifestly, the first count in the indictment was therefore insufficient to allege a violation of said section 3 or sustain the conviction thereunder.

-
2. **THAT THE COURT ERRED IN OVERRULING THE DEMURRER WITH RESPECT TO COUNT ONE OF SAID INDICTMENT BY REASON OF THE FACT THAT SAID COUNT FAILED TO ALLEGE THAT THE TRANSPORTATION COMPLAINED OF IN SAID INDICTMENT OCCURRED OVER THE ROUTE OF A COMMON CARRIER. (Assignment of Error No. III, R. 14.)**

In addition to a general specification respecting the insufficiency of count one (R. 6) the demurrer particularized the insufficiency and pointed out that count one did not allege that transportation was over the route of a common carrier (R. 6). This particularization of insufficiency was preserved by Assignment of Error No. III. The argument regarding the assignment is necessarily the same as that just made regarding Assignment of Error No. II.

3. THAT THE COURT ERRED IN OVERRULING THE DEMURRER HEREIN BY REASON OF THE FACT THAT SECTION 403, TITLE 18, U.S.CODE EXCLUDES THE TERRITORY OF HAWAII FROM THE PROVISIONS OF SECTIONS 398 AND 399, TITLE 18, U.S. CODE, WITH RESPECT TO INTRA-TERRITORIAL TRANSPORTATION. (Assignment of Error No. IV, R. 15.)

The term "Territory" as used in the White Slave Traffic Act is defined by section 7 of the said act. (18 U.S.C.A., sec. 403.) It reads, in pertinent part:

"The term 'Territory,' as used in sections 397 to 404 of this title, shall include the District* of Alaska, the insular possessions of the United States, and the Canal Zone. . . .

*'District' should be 'Territory.' " (18 U.S.C.A., sec. 403.)

The definition thus given necessarily excludes the Territory of Hawaii, for it certainly cannot be classed as among "the insular possessions of the United States". As pointed out, both counts in the indictment alleged intra-territorial transportation within the Territory of Hawaii. As the Territory of Hawaii is excluded by the definition contained in said section 7 it therefore follows that neither count in the indictment is sufficient to charge a violation of the said act or sustain a conviction thereunder.

-
4. THAT THE COURT ERRED IN OVERRULING THE DEMURRER INTERPOSED HEREIN BY SAID DEFENDANT, SUN CHONG LEE ALIAS COLONEL LEE. (Assignment of Error No. I, R. 14.)

All arguments heretofore made might have been presented under this general assignment of error. It was believed, however, that clarity would be served by

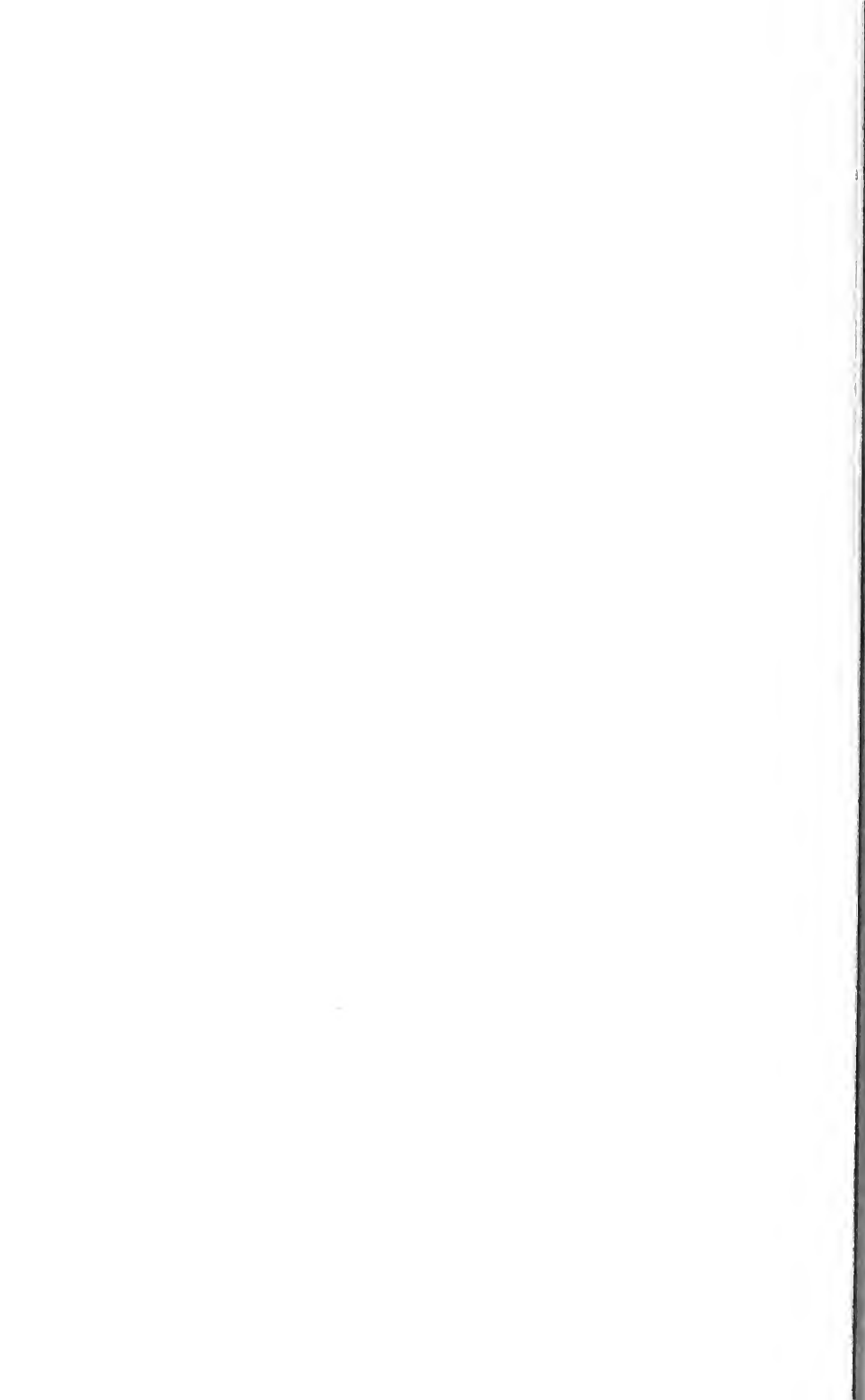
presenting the arguments under assignments of error which fully disclosed the points to be urged on the appeal.

CONCLUSION.

For the several reasons herein appearing, it is therefore respectfully submitted that the judgment should be reversed as to each count.

Dated, San Francisco, California,
April 30, 1941.

E. J. BOTTS,
HERBERT CHAMBERLIN,
Attorneys for Appellant.



No. 9726

IN THE

United States Circuit Court of Appeals

For the Ninth Circuit

SUN CHONG LEE alias COLONEL LEE,
Appellant,

vs.

UNITED STATES OF AMERICA,
Appellee.

Upon Appeal from the United States District Court
for the Territory of Hawaii.

BRIEF FOR APPELLEE.

ANGUS M. TAYLOR, JR.,
United States Attorney,
District of Hawaii,

JEAN VAUGHAN GILBERT,
Assistant United States Attorney,
District of Hawaii,

FRANK J. HENNESSY,
United States Attorney,
Northern District of California,
San Francisco, California,

Attorneys for Appellee.

FILED

AUG 26 1941

PAUL P. O'BRIEN,
CLERK



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No. 9726

IN THE
United States Circuit Court of Appeals
For the Ninth Circuit

SUN CHONG LEE alias COLONEL LEE, <i>Appellant,</i>
vs.
UNITED STATES OF AMERICA, <i>Appellee.</i>

Upon Appeal from the United States District Court
for the Territory of Hawaii.

BRIEF FOR APPELLEE.

JURISDICTION.

Title 18, United States Code, Section 401 confers jurisdiction upon the District Court, and Title 28, United States Code, Section 225 grants appellate jurisdiction to this Honorable Court.

STATEMENT OF FACTS.

This is an appeal from a judgment of the United States District Court for the Territory of Hawaii whereby the appellant was sentenced to pay a fine of five hundred dollars (\$500.00) and to serve three (3)

months in the city and county jail at Honolulu, T. H., on count I of the Indictment returned against him, and the imposition of sentence was suspended on count II of the indictment and the appellant was placed on probation for the period of three (3) years. (R. 11.)

The indictment upon which the above judgment was based was filed in the United States District Court for the Territory of Hawaii on August 15, 1940. (R. 2.) This indictment charged in two counts violations of Sections 398 and 399, Title 18 of the United States Code.

Count I of the indictment was based on Section 399, Title 18, United States Code (R. 3, 4) and alleged that appellant and others induced one Nancy O'Connor to go from Honolulu, City and County of Honolulu, Territory of Hawaii, to Wailuku, Island and County of Maui, Territory of Hawaii, "to engage in prostitution and debauchery and other immoral practices; and that the said defendants * * * in furtherance of such purpose * * * knowingly, wilfully, unlawfully and feloniously did transport and cause to be transported the said Nancy O'Connor from Honolulu aforesaid to Wailuku, Island and County of Maui, Territory of Hawaii, as a passenger upon the Inter-Island Airways, Ltd. * * *" contrary to the form of the statute, etc. (R. 3, 4.)

Count II of the indictment was based on Section 398, Title 18, United States Code (R. 4, 5), and alleged that the appellant and others knowingly, wilfully, unlawfully and feloniously transported and aided and as-

sisted in obtaining transportation for and in transporting the said Nancy O'Connor from Honolulu, City and County of Honolulu, Territory of Hawaii, to Kihei, Island and County of Maui, Territory of Hawaii, for the purpose of prostitution and other immoral purposes. (R. 4, 5.)

Prior to the entry of a plea, the appellant filed a demurrer to the indictment. (R. 5-7.) The grounds of demurrer were: (1) that count I of the indictment was insufficient in that it did not "appear in said count the manner or means used and employed in connection with the transportation of the said Nancy O'Connor from Honolulu to Wailuku or whether said transportation occurred over the route of a common carrier or otherwise" (R. 6); and (2) "that Title 18, Section 403, U. S. Code excludes the Territory of Hawaii from the provisions of Section 399 and Section 398, Title 18, U. S. Code, in their intra-territorial application". (R. 7.)

The Court overruled the demurrer. (R. 8.) Thereafter the appellant entered a plea of not guilty, and on August 28, 1940, the case came on for trial; the case went to the jury and the appellant was convicted on both of said counts in the indictment. (R. 8.) Following the verdict, the appellant was sentenced as mentioned above.

SUMMARY OF ARGUMENT.

The only question involved in reference to this appeal is whether count I of the indictment suffi-

ciently alleges that the transportation of the woman named from Honolulu to Wailuku, Island of Maui, was by common carrier under Section 399, Title 18, United States Code. This question is presented in Assignments of Error Nos. II and III.

Under Assignment of Error No. IV appellant contends that Section 403, Title 18, United States Code, excludes the Territory of Hawaii from the provisions of Sections 398 and 399, Title 18, United States Code. This contention is frivolous and should not be considered by this Honorable Court.

ARGUMENT.

ASSIGNMENTS OF ERROR NOS. II AND III.

- II. THE COURT DID NOT ERR IN HOLDING AND FINDING (BY OVERRULING THE DEMURRER HEREIN) THAT THE CHARGE CONTAINED IN COUNT ONE OF THE INDICTMENT SUFFICIENTLY CHARGED A CRIMINAL OFFENSE UNDER SECTION 399, TITLE 18, UNITED STATES CODE, AND SUFFICIENTLY CHARGED IN SAID COUNT THAT THE TRANSPORTATION COMPLAINED OF THEREIN OCCURRED OVER THE ROUTE OF A COMMON CARRIER.
- III. THE COURT DID NOT ERR IN OVERRULING THE DEMURRER WITH RESPECT TO COUNT ONE OF THE INDICTMENT.

The above assigned Errors, Nos. II and III, will be discussed together since they involve the same question.

Count I of the indictment is based on Section 399, Title 18, United States Code, quoted in full in the Appendix, the pertinent part of which is as follows:

“and who shall thereby knowingly cause or aid or assist in causing such woman or girl to go and to be carried or transported as a passenger upon the line or route of any common carrier or carriers in interstate or foreign commerce, or any Territory or the District of Columbia, shall be deemed guilty of a felony * * *.”

Count I of the indictment (R. 2-4) reads as follows:

“COUNT I

The Grand Jurors of the United States, empaneled, sworn and charged at the term aforesaid, of the Court aforesaid, on their oath present that

Penny Owens,

Sun Chong Lee alias Colonel Lee alias S. C. Lee, and Anne Lewis alias Buddy alias Buddy Wilson alias Anna Read alias Anne Miller alias Cuma Anne Lewis alias Cuma Anne Okamura,

(hereinafter called Defendants), or or about the 5th day of June, 1940, at and within the Territory and District of Hawaii and within the jurisdiction of this Court, jointly, knowingly, wilfully, unlawfully and feloniously did persuade, induce, entice and coerce a certain woman, to-wit: Nancy O'Connor, to go from Honolulu, City and County of Honolulu, Territory of Hawaii, to Wailuku, Island and County of Maui, Territory of Hawaii, with the intent and purpose in them, the said defendants, to induce and coerce her, the said Nancy O'Connor, and that she should be induced and coerced to engage in prostitution and debauchery and other immoral practices; and that the said defendants then and

there and in furtherance of such purpose jointly, knowingly, wilfully, unlawfully and feloniously *did transport and cause to be transported the said Nancy O'Connor from Honolulu aforesaid to Wailuku, Island and County of Maui, Territory of Hawaii, as a passenger upon the Inter-Island Airways, Ltd., contrary to law and to the form of the Statute in such case made and provided and against the peace and dignity of the United States of America.*" (Emphasis added.)

This count of the indictment contains all of the necessary elements of the offense required under section 399, and the rule as to the test of the sufficiency of an indictment as stated by the United States Supreme Court and other Courts on the subject.

In *Hagner v. United States*, 285 U. S. 427, the sufficiency of an indictment was challenged on the ground that it failed to allege specifically that the defendant did "cause (the letter) to be delivered by mail according to the address thereon," as provided in the statute. The Court held the indictment sufficient, saying:

"Obviously, in this particular, the indictment does not precisely follow the terms of the statute, but it does allege that the letter was deposited in a post office so addressed as to constitute a direction for its delivery to the addressee * * *

"While, therefore, the indictment does not in set terms allege delivery of the letter, a presumption to that effect results from the facts which are alleged.

"The rigor of old common law rules of criminal pleading has yielded, in modern practice,

to the general principle that formal defects, not prejudicial, will be disregarded. The true test of the sufficiency of an indictment is not whether it could have been made more definite and certain, but whether it contains the elements of the offense intended to be charged, 'and sufficiently apprises the defendant of what he must be prepared to meet, and, in case any other proceedings are taken against him for a similar offense, whether the record shows with accuracy to what extent he may plead a former acquittal or conviction.' "

In *United States v. Behrman*, 258 U. S. 280, the Court said:

"It is enough to sustain an indictment that the offense be described with sufficient clearness to show a violation of law, and to enable the accused to know the nature and cause of the accusation and to plead the judgment, if one be rendered, in bar of further prosecution for the same offense."

And in *Cohen v. United States*, 294 Fed. 488 (C. C. A. 6, 1923), certiorari denied 264 U. S. 584, the sufficiency of an indictment was attacked for the reason that it was not in the exact language of the statute. In holding the indictment sufficient, the Court said:

"The sufficiency of an indictment, especially after conviction, is no longer tested by the nicety of expression once required, and if by fair and reasonable construction it alleged every essential element to make out the crime it is sufficient."

In *Tatum v. United States*, 110 F. (2d) 555 (C. C. A. Dist. Columbia), the defendant was convicted of assault with a dangerous weapon; the indictment charging that she made the assault "with a certain corrosive liquid compound commonly * * * called lye." The statute provided that assault "with dangerous weapon" and the sufficiency of indictment was contested in that it did not state that lye was a dangerous weapon. The Court held the indictment sufficient, saying:

"An indictment which 'contains the elements of the offense intended to be charged', shows what the defendant must be prepared to meet, and precludes later prosecution for the offense, is good, although it does not precisely follow the language of the statute * * * The sufficiency of a criminal pleading is to be determined by practical, rather than technical, considerations."

In *Hughes v. United States*, 114 F. (2d) 285 (C. C. A. 6, 1940), the defendant appealed from a conviction upon three counts of an indictment charging violations of the Mann Act. (Title 18, U. S. C. secs. 398 and 399.) The defendant demurred to the indictment, one of the grounds of demurrer being that the indictment was so indefinite and uncertain that it failed to state facts sufficient to constitute a crime, in that it failed to specify the common carrier or the route thereof. The demurrer was overruled. Upon appeal the Court held this count of the indictment sufficient, saying:

"The true test of the sufficiency of the indictment is whether it contains the elements of the

offense intended to be charged, and sufficiently apprises the accused of what he must be prepared to meet, so that the judgment may be a bar to further proceedings against him for the same offense.”

While it is true that count I of the indictment here does not in precise terms allege that the “Inter-Island Airways, Ltd.,” was a common carrier, it does allege that the woman named was transported “as a passenger upon the Inter-Island Airways, Ltd.” and sufficiently apprised the appellant of the charge against him; that the allegation was sufficient that a judgment under the indictment would be a bar to any subsequent prosecution should he again be questioned on the same grounds.

In this connection also reference is made to section 556, Title 18, United States Code, which provides, in part, as follows:

“No indictment found and presented by a grand jury in any district or other court of the United States shall be deemed insufficient, nor shall the trial, judgment, or other proceeding thereon be affected by reason of any defect or imperfection in matter of form only, which shall not tend to the prejudice of the defendant * * *”

“This section was enacted to the end that, while the accused must be afforded full protection, the guilty shall not escape through mere imperfections of pleading.”

Hagner v. United States, 285 U. S. 427;

Hewitt v. United States, 110 F. (2d) 1, 6 (C. C. A. 8, 1940).

In *Hewitt v. United States*, supra, it was held that the allegation in an indictment charging robbery of a state bank, and that the bank was a member of the Federal Deposit Insurance Corporation did not make the indictment fatally defective, though the indictment should have alleged that the bank was a state bank, the deposits of which were insured by the corporation. The Court saying:

“The sufficiency of an indictment should be judged by practical, and not by technical considerations. It is nothing but the formal charge upon which an accused is brought to trial * * * an indictment which fairly informs the accused of the charge which he is required to meet and which is sufficiently specific to avoid the danger of his again being prosecuted for the same offense should be held good. It is our opinion that the indictment in suit omitted no essential element of the offenses sought to be charged, but that an essential element was imperfectly, inartificially and loosely stated.”

And, as stated by Mr. Justice Sutherland in *Hagner v. United States*, 285 U. S. 427, while it is not the intent of section 556, Title 18, U. S. C., to dispense with the rule which requires that the essential elements of an offense must be alleged; this section authorizes the Courts to disregard merely loose or inartificial forms of averment. The Court saying,

“Upon a proceeding after verdict at least, no prejudice being shown, *it is enough that the necessary facts appear in any form, or by fair construction can be found within the terms of the indictment. In the absence of the evidence*

*and the charge of the court, we are free to assume that every essential element of the offense was sufficiently proved * * ** The contrary of neither of these propositions is asserted." (Emphasis added.)

The allegation that the transportation by the Inter-Island Airways, Ltd., was by common carrier was well understood by the appellant; the defendant could not have been misled to his prejudice by such an allegation. The judgment should not be reversed on account of a defect so obviously technical. It would give an unnecessary strictness to the language of the indictment to hold it insufficient, or to hold that it failed to inform the defendant exactly of what he was accused, or lacked that precision and certainty of description which would enable him to always use the judgment as a bar to any other prosecution—which is the substantial purpose of a written charge.

None of the cases cited by appellant is in point. In *Sloan v. United States*, 287 F. 91, a violation of section 399 was not charged or involved in the case; in *Alpert v. United States*, 12 F. (2d) 352, the allegation was that the transportation was by automobile and the Court held that the evidence did not support the conviction that the automobile was a common carrier; in *Blain v. United States*, 22 F. (2d) 393, the indictment was under section 398 of the act; in *Coltabellotta v. United States*, 45 F. (2d) 117, the sufficiency of the indictment was not challenged, but involved the sufficiency of the evidence to sup-

port the conviction, and also in *United States v. Saledonis*, 93 F. (2d) 302, the sufficiency of the indictment was not involved.

ASSIGNMENT OF ERROR NO. IV.

IV. THE COURT DID NOT ERR IN OVERRULING THE DEMURRER THAT SECTION 403, TITLE 18, UNITED STATES CODE EXCLUDED THE TERRITORY OF HAWAII FROM THE PROVISIONS OF SECTIONS 398 AND 399, TITLE 18, UNITED STATES CODE, WITH RESPECT TO INTRA-TERRITORIAL TRANSPORTATION.

Appellant's contention that section 403, Title 18, United States Code, excludes the Territory of Hawaii from the provisions of sections 398 and 399, Title 18, United States Code, is without merit and should not be considered by this Honorable Court. This is obvious from a reading of the statute itself, which provides, in part, as follows:

“The term ‘Territory’, as used in sections 397 to 404 of this title shall *include* the District* of Alaska, the insular possessions of the United States, and the Canal Zone * * *

“*‘District’ should be ‘Territory.’” (Emphasis added.)

On June 25, 1910, when the “White Slave Traffic Act” (Secs. 397-404, Title 18, U. S. C.) was enacted Alaska was not a Territory (48 U. S. C., sec. 21), and section 403 merely extended the provisions of the Act to “include” the “District of Alaska”.

ASSIGNMENT OF ERROR NO. I.

- I. THE COURT DID NOT ERR IN OVERRULING THE DEMUR-
RER INTERPOSED HEREIN BY THE DEFENDANT, SUN
CHONG LEE, ALIAS COLONEL LEE.**

This assignment of error has been covered under the argument of Assignments of Error II and III.

CONCLUSION.

The appellee respectfully submits that the indictment herein sufficiently described the offense charged to enable him to make his defense and to plead the judgment in bar of any further prosecution for the same crime; further, the Court did not err in ruling that section 403 did not exclude the Territory of Hawaii from the provisions of the act.

Dated, Honolulu, T. H., August 19, 1941.

Respectfully submitted,

ANGUS M. TAYLOR, JR.,

United States Attorney,
District of Hawaii,

JEAN VAUGHAN GILBERT,

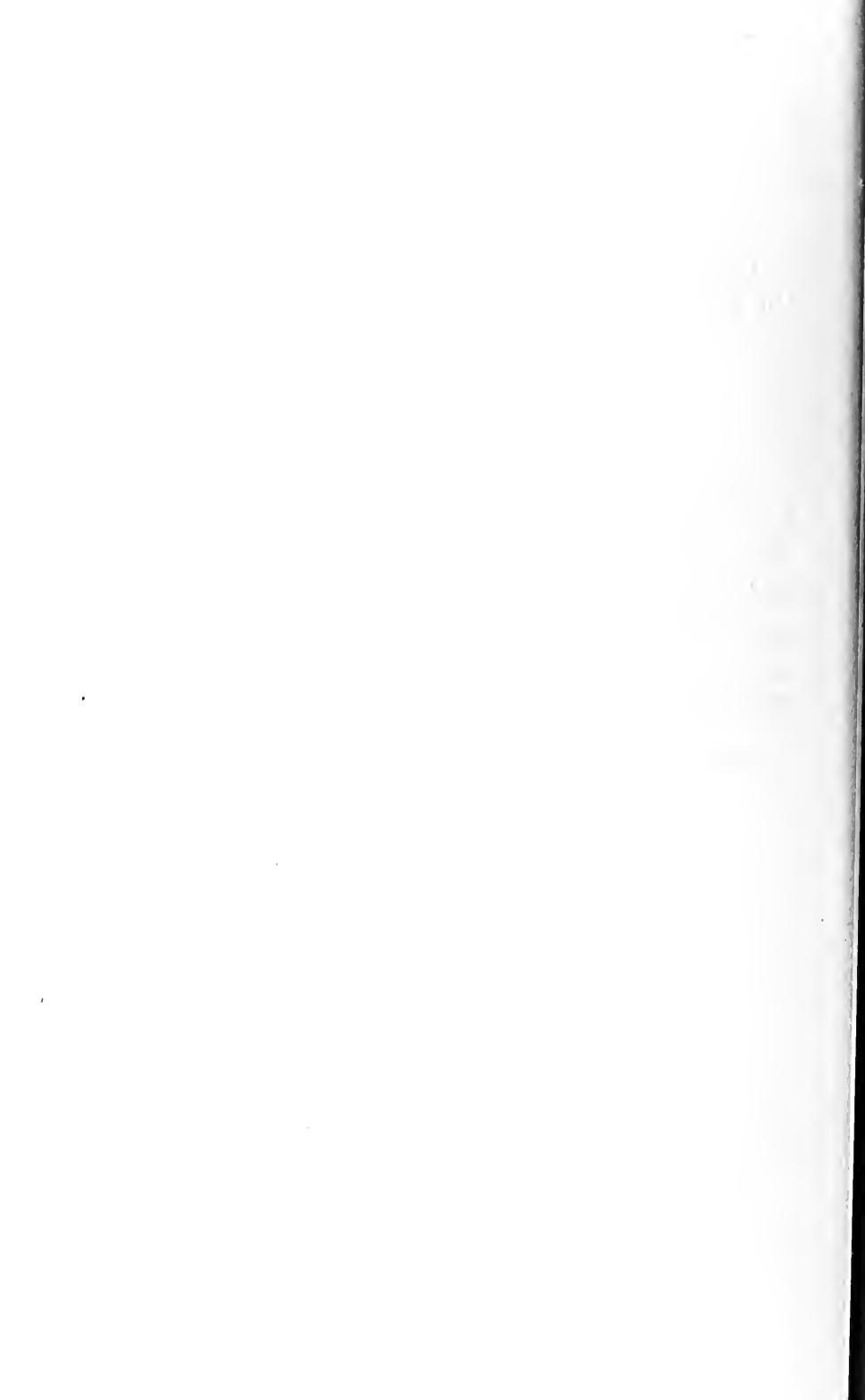
Assistant United States Attorney,
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FRANK J. HENNESSY,

United States Attorney,
Northern District of California,

Attorneys for Appellee.

(Appendix Follows.)



Appendix.



Appendix

Section 398, Title 18, United States Code;

§398. Same; transportation of woman or girl for immoral purposes, or procuring ticket.

Any person who shall knowingly transport or cause to be transported, or aid or assist in obtaining transportation for, or in transporting, in interstate or foreign commerce, or in any Territory or in the District of Columbia, any woman or girl for the purpose of prostitution or debauchery, or for any other immoral purpose, or with the intent and purpose to induce, entice, or compel such woman or girl to become a prostitute or to give herself up to debauchery, or to engage in any other immoral practice; or who shall knowingly procure or obtain, or cause to be procured or obtained, or aid or assist in procuring or obtaining, any ticket or tickets, or any form of transportation or evidence of the right thereto, to be used by any woman or girl in interstate or foreign commerce, or in any Territory or the District of Columbia, in going to any place for the purpose of prostitution or debauchery, or for any other immoral purpose, or with the intent or purpose on the part of such person to induce, entice, or compel her to give herself up to the practice of prostitution, or to give herself up to debauchery, or any other immoral practice, whereby any such woman or girl shall be transported in interstate or foreign commerce, or in any Territory or the District of Columbia, shall be deemed guilty of a felony, and

upon conviction thereof shall be punished by a fine not exceeding \$5,000, or by imprisonment of not more than five years, or by both such fine and imprisonment, in the discretion of the court. (June 25, 1910, c. 395, § 2, 36 Stat. 825.)

Section 399, Title 18, United States Code;

§399. Same; inducing transportation for immoral purposes.

Any person who shall knowingly persuade, induce, entice, or coerce, or cause to be persuaded, induced, enticed, or coerced, or aid or assist in persuading, inducing, enticing, or coercing any woman or girl to go from one place to another in interstate or foreign commerce, or in any Territory or the District of Columbia, for the purpose of prostitution or debauchery, or for any other immoral purpose, or with the intent and purpose on the part of such person that such woman or girl shall engage in the practice of prostitution or debauchery, or any other immoral practice, whether with or without her consent, and who shall thereby knowingly cause or aid or assist in causing such woman or girl to go and to be carried or transported as a passenger upon the line or route of any common carrier or carriers in interstate or foreign commerce, or any Territory or the District of Columbia, shall be deemed guilty of a felony and on conviction thereof shall be punished by a fine of not more than \$5,000, or by imprison-

ment for a term not exceeding five years or by both such fine and imprisonment, in the discretion of the court. (June 25, 1910, c. 395, § 3, 36 Stat. 825.)

Section 556, Title 18, United States Code;
§556. Same; defects of form.

No indictment found and presented by a grand jury in any district or other court of the United States shall be deemed insufficient, nor shall the trial, judgment, or other proceeding thereon be affected by reason of any defect or imperfection in matter of form only, which shall not tend to the prejudice of the defendant, or by reason of the attendance before the grand jury during the taking of testimony of one or more clerks or stenographers employed in a clerical capacity to assist the district attorney or other counsel for the Government who shall, in that connection, be deemed to be persons acting for and on behalf of the United States in an official capacity and function. (As amended May 18, 1933, c. 31, 48 Stat. 58.)

The receipt of a copy of the within and foregoing Brief for Appellee is hereby acknowledged this 19th day of August, 1941.

E. J. BOTTS PER B. GILLETTE,
Attorney for Sun Chong Lee
alias Colonel Lee, Appel-
lant.

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No. 9726

IN THE
United States Circuit Court of Appeals
For the Ninth Circuit

SUN CHONG LEE alias Colonel Lee,
Appellant,

vs.

UNITED STATES OF AMERICA,
Appellee.

APPELLANT'S REPLY BRIEF.

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FILED

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No. 9726

IN THE

United States Circuit Court of Appeals

For the Ninth Circuit

SUN CHONG LEE alias Colonel Lee, <i>Appellant,</i>
vs.
UNITED STATES OF AMERICA, <i>Appellee.</i>

APPELLANT'S REPLY BRIEF.

Two questions were presented by the brief for appellant: (1) Did count one of the indictment fail to charge an offense under section 3 of the White Slave Traffic Act (18 U.S.C., sec. 399) in that it omitted to allege that transportation was upon the line or route of a common carrier? (2) Is the White Slave Traffic Act applicable to the Territory of Hawaii?

In answer to the first question the appellee admits that count one of the indictment did not directly allege that transportation was upon the line or route of a common carrier. (Brief for Appellee, p. 9.) The appellee argues, however, that the allegation in count one that transportation was upon the Inter-Island Airways Ltd. was an indirect allegation that transportation was upon the line or route of a common carrier. (Brief for Appellee, p. 11.) And appellee

thereupon invokes section 556, Title 18, United States Code, which provides that no indictment shall be deemed insufficient "by reason of any defect or imperfection in matter of form only". (Brief for Appellee, p. 9.)

A plain reading of said section 3 of the White Slave Traffic Act (18 U.S.C., sec. 399) makes it evident that transportation upon the line or route of a common carrier is an essential element of the offense denounced by the section. The cases cited at page 7 of the Brief for Appellant eliminate all doubt on the subject.

An indictment must charge each and every element of an offense.

United States v. Standard Brewery, 251 U.S. 210, 220, 64 L.Ed. 229, 40 S.Ct. 139;
Evans v. United States, 153 U.S. 584, 587, 38 L.Ed. 830, 14 S.Ct. 934.

The omission of any essential element of an offense cannot be supplied by intendment or implication or indirection or inference.

Pettibone v. United States, 148 U.S. 197, 37 L.Ed. 419, 13 S.Ct. 542, 545;
United States v. Hess, 124 U.S. 433, 31 L.Ed. 516, 8 S.Ct. 571, 574.

Such omission is a matter of substance, and not a "defect or imperfection in matter of form only" within the meaning of section 1025 of the Revised Statutes. (18 U.S.C., sec. 556.)

United States v. Carll, 105 U.S. 611, 613, 26 L.Ed. 1135.

Such omission cannot be aided or cured by the verdict.

United States v. Hess, 124 U.S. 483, 31 L.Ed. 516, 8 S.Ct. 571, 574;

Harris v. United States, C.C.A.Mo. 1939, 104 F. 2d 41.

Appellee's answer to the question is insufficient; and it is manifest that the first count in the indictment was insufficient to allege a violation of said section 3 or to sustain the conviction thereunder.

In answer to the second question the appellee points out that *Alaska* was not a Territory when the White Slave Traffic Act was enacted in 1910. (Brief for Appellee, p. 12.) This must be conceded as a matter of history for *Alaska* was not formally organized as a Territory until August 24, 1912. But the question before the court is one of statutory construction and not of history. The meaning of "Territory" as used in the act is defined by section 7 of the act. (18 U.S.C., sec. 403.) That definition does not *include* the Territory of Hawaii. Therefore, the White Slave Traffic Act is not applicable to the Territory of Hawaii.

For the several reasons appearing in the Brief for Appellant and herein supplemented, it is again respectfully submitted that the judgment should be reversed as to each count.

Dated, San Francisco, California,
September 5, 1941.

E. J. BOTTS,

HERBERT CHAMBERLIN, *et*

Attorneys for Appellant.

